



HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2016  
OF THE CONDITION AND AFFAIRS OF THE

HealthLink HMO, Inc.

NAIC Group Code 0671 0671 NAIC Company Code 96475 Employer's ID Number 43-1616135  
(Current) (Prior)  
Organized under the Laws of Missouri, State of Domicile or Port of Entry MO  
Country of Domicile United States of America  
Licensed as business type: Health Maintenance Organization  
Is HMO Federally Qualified? Yes [ ] No [ X ]  
Incorporated/Organized 07/29/1992 Commenced Business 01/14/1993  
Statutory Home Office 1831 Chestnut Street St. Louis , MO, US 63103-2275  
(Street and Number) (City or Town, State, Country and Zip Code)  
Main Administrative Office 1831 Chestnut Street  
(Street and Number)  
St. Louis , MO, US 63103-2275 314-923-4444  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)  
Mail Address 120 Monument Circle Indianapolis , IN, US 46204  
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)  
Primary Location of Books and Records 120 Monument Circle  
(Street and Number)  
Indianapolis , IN, US 46204 317-488-6716  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)  
Internet Website Address www.healthlink.com  
Statutory Statement Contact Tim Niccum 317-488-6716  
(Name) (Area Code) (Telephone Number)  
Tim.Niccum@anthem.com 317-488-6169  
(E-mail Address) (FAX Number)

OFFICERS

President Steven John Martenet Treasurer Robert David Kretschmer  
Secretary Kathleen Susan Kiefer Assistant Secretary Karen Elizabeth Geiger

OTHER

Eric (Rick) Kenneth Noble, Assistant Treasurer Keith David McDaniel #, Valuation Actuary

DIRECTORS OR TRUSTEES

Ronald William Penczek # Steven John Martenet Catherine Irene Kelaghan

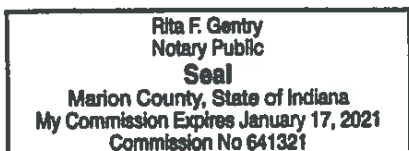
State of Indiana SS:  
County of Marion

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Steven John Martenet Kathleen Susan Kiefer Robert David Kretschmer  
President Secretary Treasurer

Subscribed and sworn to before me this Sixth day of February 2017  
Rita F. Gentry  
Rita F. Gentry  
Executive Admin Assistant I  
January 17, 2021

- a. Is this an original filing? Yes [ X ] No [ ]  
b. If no,  
1. State the amendment number  
2. Date filed  
3. Number of pages attached



ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D) .....	14,483,811		14,483,811	14,950,215
2. Stocks (Schedule D):				
2.1 Preferred stocks .....			0	0
2.2 Common stocks .....			0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....			0	0
3.2 Other than first liens .....			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ .....			0	0
encumbrances) .....				
4.2 Properties held for the production of income (less				
\$ .....			0	0
encumbrances) .....				
4.3 Properties held for sale (less \$ .....			0	0
encumbrances) .....				
5. Cash (\$ .....				
(3,722,598) , Schedule E - Part 1), cash equivalents				
(\$ .....				
, Schedule E - Part 2) and short-term				
investments (\$ .....	(2,653,716)		(2,653,716)	4,453,508
1,068,882 , Schedule DA) .....				
6. Contract loans, (including \$ .....			0	0
premium notes) .....				
7. Derivatives (Schedule DB) .....			0	0
8. Other invested assets (Schedule BA) .....			0	0
9. Receivables for securities .....			0	0
10. Securities lending reinvested collateral assets (Schedule DL) .....			0	0
11. Aggregate write-ins for invested assets .....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	11,830,095	0	11,830,095	19,403,723
13. Title plants less \$ .....			0	0
charged off (for Title insurers				
only) .....				
14. Investment income due and accrued .....	20,465	0	20,465	22,216
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....			0	0
15.2 Deferred premiums and agents' balances and installments booked but				
deferred and not yet due (including \$ .....				
earned but unbilled premiums) .....			0	0
15.3 Accrued retrospective premiums (\$ .....			0	0
) and				
contracts subject to redetermination (\$ .....			0	0
) .....				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....			0	0
16.2 Funds held by or deposited with reinsured companies .....			0	0
16.3 Other amounts receivable under reinsurance contracts .....			0	0
17. Amounts receivable relating to uninsured plans .....	9,261,197	26,140	9,235,057	7,012,391
18.1 Current federal and foreign income tax recoverable and interest thereon .....			0	0
18.2 Net deferred tax asset .....	6,535	0	6,535	10,352
19. Guaranty funds receivable or on deposit .....			0	0
20. Electronic data processing equipment and software .....			0	0
21. Furniture and equipment, including health care delivery assets				
(\$ .....			0	0
) .....				
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0	0
23. Receivables from parent, subsidiaries and affiliates .....	216,744	0	216,744	219,596
24. Health care (\$ .....	0	0	0	0
) and other amounts receivable .....				
25. Aggregate write-ins for other than invested assets .....	4,138	4,138	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and				
Protected Cell Accounts (Lines 12 to 25) .....	21,339,173	30,278	21,308,895	26,668,278
27. From Separate Accounts, Segregated Accounts and Protected Cell			0	0
Accounts .....				
28. Total (Lines 26 and 27)	21,339,173	30,278	21,308,895	26,668,278
DETAILS OF WRITE-INS				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0	0
2501. Provider admin fee receivable .....	4,138	4,138	0	0
2502. ....				
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	4,138	4,138	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1	2	3	4
	Covered	Uncovered	Total	Total
1. Claims unpaid (less \$ ..... reinsurance ceded) .....			0	0
2. Accrued medical incentive pool and bonus amounts .....			0	0
3. Unpaid claims adjustment expenses .....			0	0
4. Aggregate health policy reserves, including the liability of \$ .....0 for medical loss ratio rebate per the Public Health Service Act .....			0	0
5. Aggregate life policy reserves .....			0	0
6. Property/casualty unearned premium reserves .....			0	0
7. Aggregate health claim reserves .....			0	0
8. Premiums received in advance .....			0	0
9. General expenses due or accrued .....	598,548		598,548	666,933
10.1 Current federal and foreign income tax payable and interest thereon (including \$ ..... on realized capital gains (losses)) .....	257,328		257,328	270,828
10.2 Net deferred tax liability .....			0	0
11. Ceded reinsurance premiums payable .....			0	0
12. Amounts withheld or retained for the account of others .....			0	0
13. Remittances and items not allocated .....			0	0
14. Borrowed money (including \$ ..... current) and interest thereon \$ ..... (including \$ ..... current) .....			0	0
15. Amounts due to parent, subsidiaries and affiliates .....	55,565		55,565	31,903
16. Derivatives .....			0	0
17. Payable for securities .....			0	0
18. Payable for securities lending .....			0	0
19. Funds held under reinsurance treaties (with \$ ..... authorized reinsurers, \$ .....0 unauthorized reinsurers and \$ .....0 certified reinsurers) .....			0	0
20. Reinsurance in unauthorized and certified (\$ ..... ) companies .....			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates .....			0	0
22. Liability for amounts held under uninsured plans .....	3,892,020		3,892,020	4,202,212
23. Aggregate write-ins for other liabilities (including \$ .....6,173 current) .....	305,377	0	305,377	199,361
24. Total liabilities (Lines 1 to 23) .....	5,108,838	0	5,108,838	5,371,237
25. Aggregate write-ins for special surplus funds .....	XXX	XXX	0	0
26. Common capital stock .....	XXX	XXX	1,000	1,000
27. Preferred capital stock .....	XXX	XXX		
28. Gross paid in and contributed surplus .....	XXX	XXX	2,499,000	2,499,000
29. Surplus notes .....	XXX	XXX		
30. Aggregate write-ins for other than special surplus funds .....	XXX	XXX	0	0
31. Unassigned funds (surplus) .....	XXX	XXX	13,700,057	18,797,041
32. Less treasury stock, at cost:				
32.1 ..... shares common (value included in Line 26 \$ ..... ) .....	XXX	XXX		
32.2 ..... shares preferred (value included in Line 27 \$ ..... ) .....	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32) .....	XXX	XXX	16,200,057	21,297,041
34. Total liabilities, capital and surplus (Lines 24 and 33) .....	XXX	XXX	21,308,895	26,668,278
DETAILS OF WRITE-INS				
2301. Escheat liabilities .....	6,555		6,555	199,361
2302. Other Liabilities .....	298,822		298,822	0
2303. ....				
2398. Summary of remaining write-ins for Line 23 from overflow page .....	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above) .....	305,377	0	305,377	199,361
2501. ....	XXX	XXX		
2502. ....	XXX	XXX		
2503. ....	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page .....	XXX	XXX	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	XXX	XXX	0	0
3001. ....	XXX	XXX		
3002. ....	XXX	XXX		
3003. ....	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page .....	XXX	XXX	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098)(Line 30 above) .....	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX		
2. Net premium income ( including \$ ..... non-health premium income) .....	XXX		
3. Change in unearned premium reserves and reserve for rate credits .....	XXX		
4. Fee-for-service (net of \$ ..... medical expenses) .....	XXX		
5. Risk revenue .....	XXX		
6. Aggregate write-ins for other health care related revenues .....	XXX	37,130	48,312
7. Aggregate write-ins for other non-health revenues .....	XXX	0	0
8. Total revenues (Lines 2 to 7) .....	XXX	37,130	48,312
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits .....			
10. Other professional services .....			
11. Outside referrals .....			
12. Emergency room and out-of-area .....			
13. Prescription drugs .....			
14. Aggregate write-ins for other hospital and medical .....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts .....			
16. Subtotal (Lines 9 to 15) .....	0	0	0
<b>Less:</b>			
17. Net reinsurance recoveries .....			
18. Total hospital and medical (Lines 16 minus 17) .....	0	0	0
19. Non-health claims (net) .....			
20. Claims adjustment expenses, including \$ .....1,108,418 cost containment expenses .....		1,109,760	1,104,903
21. General administrative expenses .....		(9,953,063)	(11,181,878)
22. Increase in reserves for life and accident and health contracts (including \$ ..... increase in reserves for life only) .....		0	0
23. Total underwriting deductions (Lines 18 through 22).....	0	(8,843,303)	(10,076,975)
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	XXX	8,880,433	10,125,287
25. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....		252,056	255,525
26. Net realized capital gains (losses) less capital gains tax of \$ .....(4,330) .....		(8,042)	
27. Net investment gains (losses) (Lines 25 plus 26) .....	0	244,014	255,525
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ ..... ) (amount charged off \$ .....0 )] .....			
29. Aggregate write-ins for other income or expenses .....	0	0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29) .....	XXX	9,124,447	10,380,812
31. Federal and foreign income taxes incurred .....	XXX	4,222,797	2,568,839
32. Net income (loss) (Lines 30 minus 31) .....	XXX	4,901,650	7,811,973
<b>DETAILS OF WRITE-INS</b>			
0601. Provider admin fees .....	XXX	37,130	48,312
0602. ....	XXX		
0603. ....	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page .....	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698)(Line 6 above) .....	XXX	37,130	48,312
0701. ....	XXX		
0702. ....	XXX		
0703. ....	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page .....	XXX	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798)(Line 7 above) .....	XXX	0	0
1401. ....			
1402. ....			
1403. ....			
1498. Summary of remaining write-ins for Line 14 from overflow page .....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above) .....	0	0	0
2901. ....			
2902. ....			
2903. ....			
2998. Summary of remaining write-ins for Line 29 from overflow page .....	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above) .....	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL AND SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year.....	21,297,041	13,507,734
34. Net income or (loss) from Line 32 .....	4,901,650	7,811,973
35. Change in valuation basis of aggregate policy and claim reserves .....		
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ .....		
37. Change in net unrealized foreign exchange capital gain or (loss) .....		
38. Change in net deferred income tax .....	(3,817)	(15,643)
39. Change in nonadmitted assets .....	5,183	(7,022)
40. Change in unauthorized and certified reinsurance .....	0	0
41. Change in treasury stock .....	0	0
42. Change in surplus notes .....	0	0
43. Cumulative effect of changes in accounting principles.....		
44. Capital Changes:		
44.1 Paid in .....	0	0
44.2 Transferred from surplus (Stock Dividend).....	0	0
44.3 Transferred to surplus.....		
45. Surplus adjustments:		
45.1 Paid in .....	0	0
45.2 Transferred to capital (Stock Dividend) .....		
45.3 Transferred from capital .....		
46. Dividends to stockholders .....	(10,000,000)	
47. Aggregate write-ins for gains or (losses) in surplus .....	0	0
48. Net change in capital and surplus (Lines 34 to 47) .....	(5,096,984)	7,789,307
49. Capital and surplus end of reporting period (Line 33 plus 48)	16,200,057	21,297,041
DETAILS OF WRITE-INS		
4701. ....		
4702. ....		
4703. ....		
4798. Summary of remaining write-ins for Line 47 from overflow page .....	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798)(Line 47 above)	0	0

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	0	0
2. Net investment income	261,524	263,240
3. Miscellaneous income	37,130	48,312
4. Total (Lines 1 through 3)	298,654	311,552
5. Benefit and loss related payments	0	0
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	(6,247,204)	(8,028,283)
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ (4,330) tax on capital gains (losses)	4,231,966	2,639,169
10. Total (Lines 5 through 9)	(2,015,238)	(5,389,114)
11. Net cash from operations (Line 4 minus Line 10)	2,313,892	5,700,666
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	814,564	0
12.2 Stocks	0	0
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
12.7 Miscellaneous proceeds	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	814,564	0
13. Cost of investments acquired (long-term only):		
13.1 Bonds	368,250	0
13.2 Stocks	0	0
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	368,250	0
14. Net increase (decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	446,314	0
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5 Dividends to stockholders	10,000,000	0
16.6 Other cash provided (applied)	132,570	249,991
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(9,867,430)	249,991
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(7,107,224)	5,950,656
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	4,453,508	(1,497,149)
19.2 End of year (Line 18 plus Line 19.1)	(2,653,716)	4,453,508

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001.		
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ANNUAL STATEMENT FOR THE YEAR 2016 OF THE HealthLink HMO, Inc.

**ANALYSIS OF OPERATIONS BY LINES OF BUSINESS**

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income .....	0									
2. Change in unearned premium reserves and reserve for rate credit .....	0									
3. Fee-for-service (net of \$ .....0 medical expenses) .....	0									XXX
4. Risk revenue .....	0									XXX
5. Aggregate write-ins for other health care related revenues .....	37,130	0	0	0	0	0	0	0	37,130	XXX
6. Aggregate write-ins for other non-health care related revenues .....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6) .....	37,130	0	0	0	0	0	0	0	37,130	0
8. Hospital/medical benefits .....	0									XXX
9. Other professional services .....	0									XXX
10. Outside referrals .....	0									XXX
11. Emergency room and out-of-area .....	0									XXX
12. Prescription drugs .....	0									XXX
13. Aggregate write-ins for other hospital and medical .....	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts .....	0									XXX
15. Subtotal (Lines 8 to 14) .....	0	0	0	0	0	0	0	0	0	XXX
16. Net reinsurance recoveries .....	0									XXX
17. Total medical and hospital (Lines 15 minus 16) .....	0	0	0	0	0	0	0	0	0	XXX
18. Non-health claims (net) .....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$ .....1,108,418 cost containment expenses .....	1,109,760								1,109,760	
20. General administrative expenses .....	(9,953,063)								(9,953,063)	
21. Increase in reserves for accident and health contracts .....	0									XXX
22. Increase in reserves for life contracts .....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22) .....	(8,843,303)	0	0	0	0	0	0	0	(8,843,303)	0
24. Total underwriting gain or (loss) (Line 7 minus Line 23) .....	8,880,433	0	0	0	0	0	0	0	8,880,433	0
DETAILS OF WRITE-INS										
0501. Provider admin fees .....	37,130								37,130	XXX
0502. ....										XXX
0503. ....										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page .....	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above) .....	37,130	0	0	0	0	0	0	0	37,130	XXX
0601. ....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602. ....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603. ....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page .....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above) .....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301. ....										XXX
1302. ....										XXX
1303. ....										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page .....	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above) .....	0	0	0	0	0	0	0	0	0	XXX

Underwriting and Investment Exhibit - Part 1 - Premiums

**N O N E**

Underwriting and Investment Exhibit - Part 2 - Claims Incurred

**N O N E**

Underwriting and Investment Exhibit - Part 2A - Claims Liability

**N O N E**

Underwriting and Investment Exhibit - Part 2B - Analysis of Claims

**N O N E**



UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS  
(000 Omitted)

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2012	2 2013	3 2014	4 2015	5 2016
1.	Prior .....	0	0	0	0	0
2.	2012 .....	0	0	0	0	0
3.	2013 .....	XXX	0	0	0	0
4.	2014 .....	XXX	XXX	0	0	0
5.	2015 .....	XXX	XXX	XXX	0	0
6.	2016 .....	XXX	XXX	XXX	XXX	0

Section B - Incurred Health Claims - Grand Total

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2012	2 2013	3 2014	4 2015	5 2016
1.	Prior .....	0	0	0	0	0
2.	2012 .....	0	0	0	0	0
3.	2013 .....	XXX	0	0	0	0
4.	2014 .....	XXX	XXX	0	0	0
5.	2015 .....	XXX	XXX	XXX	0	0
6.	2016 .....	XXX	XXX	XXX	XXX	0

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Grand Total

Years in which Premiums were Earned and Claims were Incurred	1  Premiums Earned	2  Claims Payment	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10  (Col. 9/1) Percent
1. 2012 .....	0	0	0	0.0	0	0.0	0	0	0	0.0
2. 2013 .....	0	0	0	0.0	0	0.0	0	0	0	0.0
3. 2014 .....	0	0	0	0.0	0	0.0	0	0	0	0.0
4. 2015 .....	0	0	0	0.0	0	0.0	0	0	0	0.0
5. 2016 .....	0	0	0	0.0	0	0.0	0	0	0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves .....									
2. Additional policy reserves (a) .....									
3. Reserve for future contingent benefits .....									
4. Reserve for rate credits or experience rating refunds (including \$ ..... ) for investment income .....									
5. Aggregate write-ins for other policy reserves .....									
6. Totals (gross) .....									
7. Reinsurance ceded .....									
8. Totals (Net)(Page 3, Line 4) .....									
9. Present value of amounts not yet due on claims .....									
10. Reserve for future contingent benefits .....									
11. Aggregate write-ins for other claim reserves .....									
12. Totals (gross) .....									
13. Reinsurance ceded .....									
14. Totals (Net)(Page 3, Line 7)									
DETAILS OF WRITE-INS									
0501. ....									
0502. ....									
0503. ....									
0598. Summary of remaining write-ins for Line 5 from overflow page.....									
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)									
1101. ....									
1102. ....									
1103. ....									
1198. Summary of remaining write-ins for Line 11 from overflow page .....									
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)									

(a) Includes \$ ..... premium deficiency reserve.

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE HealthLink HMO, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT

	Claim Adjustment Expenses		3	4	5
	1	2			
	Cost Containment Expenses	Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1. Rent (\$ ..... for occupancy of own building) .....	27,156	51	(20,350)	(35,976)	(29,119)
2. Salary, wages and other benefits .....	956,147	100	23,104	40,844	1,020,195
3. Commissions (less \$ ..... ceded plus \$ ..... assumed) .....	0	0	0	0	0
4. Legal fees and expenses .....	0	0	14,494	25,623	40,117
5. Certifications and accreditation fees .....				0	0
6. Auditing, actuarial and other consulting services ....	519	0	10,744	18,994	30,257
7. Traveling expenses .....	1,887	0	1,936	3,423	7,246
8. Marketing and advertising .....	35	0	610	1,078	1,723
9. Postage, express and telephone .....	36,531	1	1,175	2,077	39,784
10. Printing and office supplies .....	431	0	313	554	1,298
11. Occupancy, depreciation and amortization .....	0	0	0	0	0
12. Equipment .....	4	0	4,709	8,325	13,038
13. Cost or depreciation of EDP equipment and software .....	16,054	1	3,963	7,006	27,024
14. Outsourced services including EDP, claims, and other services .....	6,036	1,182	14,515	25,660	47,393
15. Boards, bureaus and association fees .....	1	0	1,087	1,922	3,010
16. Insurance, except on real estate .....	0	0	2,987	5,281	8,268
17. Collection and bank service charges .....	0	0	207	366	573
18. Group service and administration fees .....	0	0	0	0	0
19. Reimbursements by uninsured plans .....	0	0	(10,616,998)	0	(10,616,998)
20. Reimbursements from fiscal intermediaries .....	0	0	0	0	0
21. Real estate expenses .....	0	0	13,245	23,415	36,660
22. Real estate taxes .....	0	0	2,142	3,787	5,929
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes .....	12	0	658,354	0	658,366
23.2 State premium taxes .....	0	0	0	0	0
23.3 Regulatory authority licenses and fees .....	150	0	367	0	517
23.4 Payroll taxes .....	63,572	7	2,274	0	65,853
23.5 Other (excluding federal income and real estate taxes) .....	0	0	1,522	0	1,522
24. Investment expenses not included elsewhere .....	0	0	0	14,784	14,784
25. Aggregate write-ins for expenses .....	(117)	0	(73,463)	(129,873)	(203,453)
26. Total expenses incurred (Lines 1 to 25) .....	1,108,418	1,342	(9,953,063)	17,290	(a) .....(8,826,013)
27. Less expenses unpaid December 31, current year ..			598,548		598,548
28. Add expenses unpaid December 31, prior year .....			666,933		666,933
29. Amounts receivable relating to uninsured plans, prior year .....			7,012,391		7,012,391
30. Amounts receivable relating to uninsured plans, current year .....			9,261,197		9,261,197
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30) .....	1,108,418	1,342	(7,635,872)	17,290	(6,508,822)
DETAILS OF WRITE-INS					
2501. Other expense .....	(117)	0	(73,463)	(129,873)	(203,453)
2502. ....					
2503. ....					
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	(117)	0	(73,463)	(129,873)	(203,453)

(a) Includes management fees of \$ .....(9,451,441) to affiliates and \$ ..... to non-affiliates.

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE HealthLink HMO, Inc.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. government bonds .....	(a) .....178,217	.....178,299
1.1	Bonds exempt from U.S. tax .....	(a) .....	.....
1.2	Other bonds (unaffiliated) .....	(a) .....91,358	.....89,525
1.3	Bonds of affiliates .....	(a) .....0	.....0
2.1	Preferred stocks (unaffiliated) .....	(b) .....0	.....0
2.11	Preferred stocks of affiliates .....	(b) .....0	.....0
2.2	Common stocks (unaffiliated) .....	.....0	.....0
2.21	Common stocks of affiliates .....	.....0	.....0
3.	Mortgage loans .....	(c) .....0	.....0
4.	Real estate .....	(d) .....0	.....0
5	Contract Loans .....	.....0	.....0
6	Cash, cash equivalents and short-term investments .....	(e) .....1,522	.....1,522
7	Derivative instruments .....	(f) .....0	.....0
8.	Other invested assets .....	.....0	.....0
9.	Aggregate write-ins for investment income .....	.....0	.....0
10.	Total gross investment income .....	271,097	269,346
11.	Investment expenses .....		(g) .....17,290
12.	Investment taxes, licenses and fees, excluding federal income taxes .....		(g) .....0
13.	Interest expense .....		(h) .....
14.	Depreciation on real estate and other invested assets .....		(i) .....
15.	Aggregate write-ins for deductions from investment income .....		.....0
16.	Total deductions (Lines 11 through 15) .....		.....17,290
17.	Net investment income (Line 10 minus Line 16)		252,056
DETAILS OF WRITE-INS			
0901.	.....		
0902.	.....		
0903.	.....		
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0
1501.	.....		
1502.	.....		
1503.	.....		
1598.	Summary of remaining write-ins for Line 15 from overflow page .....		0
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)		0

- (a) Includes \$ .....5,717 accrual of discount less \$ .....13,434 amortization of premium and less \$ ..... paid for accrued interest on purchases.
- (b) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued dividends on purchases.
- (c) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued interest on purchases.
- (d) Includes \$ ..... for company's occupancy of its own buildings; and excludes \$ ..... interest on encumbrances.
- (e) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued interest on purchases.
- (f) Includes \$ ..... accrual of discount less \$ ..... amortization of premium.
- (g) Includes \$. ..... investment expenses and \$ ..... investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ ..... interest on surplus notes and \$ ..... interest on capital notes.
- (i) Includes \$ ..... depreciation on real estate and \$ ..... depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds .....	0	0	0	0	0
1.1	Bonds exempt from U.S. tax .....			0		
1.2	Other bonds (unaffiliated) .....	(12,372)	0	(12,372)	0	0
1.3	Bonds of affiliates .....	0	0	0	0	0
2.1	Preferred stocks (unaffiliated) .....	0	0	0	0	0
2.11	Preferred stocks of affiliates .....	0	0	0	0	0
2.2	Common stocks (unaffiliated) .....	0	0	0	0	0
2.21	Common stocks of affiliates .....	0	0	0	0	0
3.	Mortgage loans .....		0	0	0	0
4.	Real estate .....		0	0		0
5.	Contract loans .....			0		
6.	Cash, cash equivalents and short-term investments .....			0		
7.	Derivative instruments .....			0		
8.	Other invested assets .....		0	0	0	0
9.	Aggregate write-ins for capital gains (losses) .....	0	0	0	0	0
10.	Total capital gains (losses)	(12,372)	0	(12,372)	0	0
DETAILS OF WRITE-INS						
0901.	.....					
0902.	.....					
0903.	.....					
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	0	0	0	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE HealthLink HMO, Inc.

EXHIBIT OF NON-ADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D) .....			0
2. Stocks (Schedule D):			
2.1 Preferred stocks .....			0
2.2 Common stocks .....			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....			0
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale .....			0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA) .....			0
6. Contract loans .....			0
7. Derivatives (Schedule DB) .....			0
8. Other invested assets (Schedule BA) .....			0
9. Receivables for securities .....			0
10. Securities lending reinvested collateral assets (Schedule DL) .....			0
11. Aggregate write-ins for invested assets .....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	0	0	0
13. Title plants (for Title insurers only) .....			0
14. Investment income due and accrued .....	0		0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection .....			0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due .....			0
15.3 Accrued retrospective premiums and contracts subject to redetermination .....			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers .....			0
16.2 Funds held by or deposited with reinsured companies .....			0
16.3 Other amounts receivable under reinsurance contracts .....			0
17. Amounts receivable relating to uninsured plans .....	26,140	31,284	5,144
18.1 Current federal and foreign income tax recoverable and interest thereon .....			0
18.2 Net deferred tax asset .....	0		0
19. Guaranty funds receivable or on deposit .....			0
20. Electronic data processing equipment and software .....			0
21. Furniture and equipment, including health care delivery assets .....			0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0
23. Receivable from parent, subsidiaries and affiliates .....	0		0
24. Health care and other amounts receivable .....	0		0
25. Aggregate write-ins for other than invested assets .....	4,138	4,177	39
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	30,278	35,461	5,183
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0
28. Total (Lines 26 and 27) .....	30,278	35,461	5,183
DETAILS OF WRITE-INS			
1101. ....			
1102. ....			
1103. ....			
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above) .....	0	0	0
2501. Provider Admin Fee Receivable .....	4,138	4,177	39
2502. ....			
2503. ....			
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	4,138	4,177	39

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations .....						
2. Provider Service Organizations .....						
3. Preferred Provider Organizations .....						
4. Point of Service .....						
5. Indemnity Only .....						
6. Aggregate write-ins for other lines of business.....						
7. Total						
DETAILS OF WRITE-INS						
0601. ....						
0602. ....						
0603. ....						
0698. Summary of remaining write-ins for Line 6 from overflow page .....						
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)						

NONE

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying financial statements of HealthLink HMO, Inc. (the “Company”) have been prepared in conformity with the National Association of Insurance Commissioners’ (“NAIC”) *Annual Statement* Instructions and in accordance with accounting practices prescribed by the by the NAIC *Accounting Practices and Procedures Manual* (“NAIC SAP”), subject to any deviations prescribed or permitted by the Missouri Department of Insurance (the “Department”).

A reconciliation of the Company’s net income and capital and surplus between NAIC SAP and practices prescribed by the Department is shown below:

	SSAP#	F/S Page	F/S Line	2016	2015
<b><u>Net Income</u></b>					
(1) HealthLink HMO, Inc state basis (Page 4, Line 32, Columns 2 & 3)	XXX	XXX	XXX	\$ 4,901,650	\$ 7,811,973
(2) State Prescribed Practices that increase/(decrease) NAIC SAP:				-	-
(3) State Permitted Practices that increase/(decrease) NAIC SAP:				-	-
(4) NAIC SAP (1-2-3=4)	XXX	XXX	XXX	\$ 4,901,650	\$ 7,811,973
<b><u>Surplus</u></b>					
(5) HealthLink HMO, Inc state basis (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	\$ 16,200,057	\$ 21,297,041
(6) State Prescribed Practices that increase/(decrease) NAIC SAP:				-	-
(7) State Permitted Practices that increase/(decrease) NAIC SAP:				-	-
(8) NAIC SAP (5-6-7=8)	XXX	XXX	XXX	\$ 16,200,057	\$ 21,297,041

B. Use of Estimates in the Preparation of the Financial Statements

Preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

C. Accounting Policies

The Company uses the following accounting policies:

1. Short-term investments include investments with maturities of less than one year at the date of acquisition and are reported at amortized cost, which approximates fair value. Non-investment grade short-term investments are stated at the lower of amortized cost or fair value.
2. Investment grade bonds not backed by other loans are stated at amortized cost, with amortization calculated based on the modified scientific method, using lower of yield to call or yield to maturity. Non-investment grade bonds are stated at the lower of amortized cost or fair value as determined by various third-party pricing sources.
3. The Company has no investments in common stocks of unaffiliated companies.
4. The Company has no investments in preferred stocks.
5. The Company has no mortgage loans on real estate.
6. The Company has no loan-backed securities.
7. The Company has no investments in subsidiaries, controlled and affiliated companies.

## NOTES TO FINANCIAL STATEMENTS

8. The Company has no investments in joint ventures, partnerships and limited liability companies.
9. The Company has no derivative instruments.
10. The Company does not anticipate investment income as a factor in premium deficiency reserve calculations.
11. Unpaid claims and claims adjustment expenses include management's best estimate of amounts based on historical claim development patterns and certain individual case estimates. The established liability considers health benefit provisions, business practices, economic conditions and other factors that may materially affect the cost, frequency and severity of claims. Liabilities for unpaid claims and claim adjustment expenses are based on assumptions and estimates, and while management believes such estimates are reasonable, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and changes in estimates are incorporated into current period estimates.
12. The Company has not modified its capitalization policy from the prior period.
13. Pharmacy rebate receivables are recorded when earned based upon actual rebate receivables billed and an estimate of receivables based upon current utilization of specific pharmaceuticals and provider contract terms.
14. Service fees earned from providing administrative services to self-insured customers are deducted from operating expenses, and related claim payments and subsequent reimbursements of those claim payments are excluded from net income.

### **D. Going Concern**

Not applicable

### **2. Accounting Changes and Corrections of Errors**

There were no accounting changes or corrections of errors during the year ended December 31, 2016 and 2015.

### **3. Business Combinations and Goodwill**

<b>A. Statutory Purchase Method</b>	Not applicable.
<b>B. Statutory Merger</b>	Not applicable.
<b>C. Assumption Reinsurance</b>	Not applicable.
<b>D. Impairment Loss</b>	Not applicable.

### **4. Discontinued Operations**

The Company had no operations that were discontinued during 2016 or 2015.

### **5. Investments**

#### **A. Mortgage Loans, including Mezzanine Real Estate Loans**

The Company did not have investments in mortgage loans at December 31, 2016 or 2015.

#### **B. Debt Restructuring**

The Company did not have invested assets that were restructured debt at December 31, 2016 or 2015.

#### **C. Reverse Mortgages**

The Company did not have investments in reverse mortgages at December 31, 2016 or 2015.



NOTES TO FINANCIAL STATEMENTS

D. Loan-Backed Securities

The Company did not have loan-backed securities at December 31, 2016 or 2015.

E. Repurchase Agreements and/or Securities Lending Transactions

The Company did not enter into repurchase agreements or securities lending transactions at December 31, 2016 or 2015.

F. Real Estate

The Company did not have investments in real estate and did not engage in retail land sales operations during 2016 or 2015.

G. Investments in Low-Income Housing Tax Credits

The Company did not invest in properties generating low-income housing tax credits during 2016 or 2015.

H. Restricted Assets

1. Restricted assets (including pledged)

	1	2	3	4	5	6
Restricted Asset Category	Total Gross Restricted from Current Year	Total Gross Restricted from Prior Year	Increase/ (Decrease) (1 minus 2)	Total Current Year Admitted Restricted	Percentage Gross Restricted to Total Assets	Percentage Admitted Restricted to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%
b. Collateral held under security lending agreements	-	-	-	-	0.0%	0.0%
c. Subject to repurchase agreements	-	-	-	-	0.0%	0.0%
d. Subject to reverse repurchase agreements	-	-	-	-	0.0%	0.0%
e. Subject to dollar repurchase agreements	-	-	-	-	0.0%	0.0%
f. Subject to dollar reverse repurchase agreements	-	-	-	-	0.0%	0.0%
g. Placed under option contracts	-	-	-	-	0.0%	0.0%
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock	-	-	-	-	0.0%	0.0%
i. FHLB capital stock	-	-	-	-	0.0%	0.0%
j. On deposit with states	754,908	765,669	(10,761)	754,908	3.5%	3.5%
k. On deposit with other regulatory bodies	-	-	-	-	0.0%	0.0%
l. Pledged as collateral to FHLB (including assets backing funding agreements)	-	-	-	-	0.0%	0.0%
m. Pledged as collateral not captured in other categories	-	-	-	-	0.0%	0.0%
n. Other restricted assets	-	-	-	-	0.0%	0.0%
o. Total Restricted Assets	\$ 754,908	\$ 765,669	\$ (10,761)	\$ 754,908	3.5%	3.5%

2. Not applicable.

3. Not applicable.

I. Working Capital Finance Investments

The Company did not have any working capital finance investments at December 31, 2016 and 2015.

J. Offsetting and Netting of Assets and Liabilities

The Company did not have any offsetting or netting of assets and liabilities at December 31, 2016 and 2015.

## NOTES TO FINANCIAL STATEMENTS

### **K. Structured Notes**

The Company did not have structured notes at December 31, 2016 and 2015.

### **L. 5\* Securities**

The Company did not have any 5\* Securities as of December 31, 2016 and 2015.

### **6. Joint Ventures, Partnerships and Limited Liability Companies**

**A.** The Company has no investments in joint ventures, partnerships or limited liability companies at December 31, 2016 or 2015.

**B.** Not applicable.

### **7. Investment Income**

**A.** All investment income due and accrued with amounts that are over 90 days past due is non-admitted.

**B.** At December 31, 2016 and 2015 there was no non-admitted accrued investment interest income.

### **8. Derivative Instruments**

The Company has no derivative instruments.

NOTES TO FINANCIAL STATEMENTS

9. Income Taxes

A. The components of net deferred tax asset (liability)

1. The components of net deferred tax asset (liability) at December 31 are as follows:

12/31/2016			
(1)	(2)	(3)	
Ordinary	Capital	(Col 1+2) Total	
(a) Gross Deferred Tax Assets	\$ 10,597	\$ -	\$ 10,597
(b) Statutory Valuation Allowance Adjustments	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	10,597	-	10,597
(d) Deferred Tax Assets Nonadmitted	-	-	-
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	10,597	-	10,597
(f) Deferred Tax Liabilities	1	4,061	4,062
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$ 10,596	\$ (4,061)	\$ 6,535

12/31/2015			
(4)	(5)	(6)	
Ordinary	Capital	(Col 4+5) Total	
(a) Gross Deferred Tax Assets	\$ 12,411	\$ -	\$ 12,411
(b) Statutory Valuation Allowance Adjustments	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	12,411	-	12,411
(d) Deferred Tax Assets Nonadmitted	-	-	-
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	12,411	-	12,411
(f) Deferred Tax Liabilities	1	2,058	2,059
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$ 12,410	\$ (2,058)	\$ 10,352

Change			
(7)	(8)	(9)	
(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total	
(a) Gross Deferred Tax Assets	\$ (1,814)	\$ -	\$ (1,814)
(b) Statutory Valuation Allowance Adjustments	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	(1,814)	-	(1,814)
(d) Deferred Tax Assets Nonadmitted	-	-	-
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	(1,814)	-	(1,814)
(f) Deferred Tax Liabilities	-	2,003	2,003
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$ (1,814)	\$ (2,003)	\$ (3,817)

NOTES TO FINANCIAL STATEMENTS

2. The amount of admitted gross deferred tax assets under each component of SSAP 101, *Income Taxes – A Replacement of SSAP No. 10R and SSAP 10 (“SSAP No.101”)* as of December 31 is as follows:

12/31/2016			
(1)	(2)		(3)
Ordinary	Capital		(Col 1+2) Total
Admission Calculation Components SSAP No. 101			
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks.	\$	10,597	\$ - \$ 10,597
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)		-	-
1. Adjusted Gross Deferred Tax Assets Expected To Be Realized Following the Balance Sheet Date.		-	-
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	2,429,028
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.		-	-
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101.	\$	10,597	\$ - \$ 10,597

12/31/2015			
(4)	(5)		(6)
Ordinary	Capital		(Col 4+5) Total
Admission Calculation Components SSAP No. 101			
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks.	\$	12,411	\$ - \$ 12,411
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)		-	-
1. Adjusted Gross Deferred Tax Assets Expected To Be Realized Following the Balance Sheet Date.		-	-
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	3,193,003
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.		-	-
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101.	\$	12,411	\$ - \$ 12,411

Change			
(7)	(8)		(9)
(Col 1-4) Ordinary	(Col 2-5) Capital		(Col 7+8) Total
Admission Calculation Components SSAP No. 101			
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks.	\$	(1,814)	\$ - \$ (1,814)
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)		-	-
1. Adjusted Gross Deferred Tax Assets Expected To Be Realized Following the Balance Sheet Date.		-	-
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	(763,975)
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.		-	-
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101.	\$	(1,814)	\$ - \$ (1,814)

3.	2016	2015
(a) Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.	55,606%	69,019%
(b) Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold	\$ 16,193,520	\$ 21,286,689

## NOTES TO FINANCIAL STATEMENTS

[illegible]

(a) Determination of Adjusted Gross Deferred Tax Assets and Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.

1.	Adjusted Gross DTAs Amount From Note 9A1(c)	\$	10,597	\$	-	\$	12,411	\$	-	\$	(1,814)	\$	-
2.	Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%
3.	Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e)	\$	10,597	\$	-	\$	12,411	\$	-	\$	(1,814)	\$	-
4.	Percentage of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%

**B.** The Company has no unrecognized deferred tax liabilities at December 31, 2016 and 2015.

(1)	(2)	(3)
12/31/2016	12/31/2015	(Col 1-2) Change

(a) Federal	\$ 4,222,797	\$ 2,568,839	\$ 1,653,958
(b) Foreign	-	-	-
(c) Subtotal	4,222,797	2,568,839	1,653,958
(d) Federal income tax expense on net capital gains	(4,330)	-	(4,330)
(e) Utilization of capital loss carry-forwards	-	-	-
(f) Other	-	-	-
(g) Federal and foreign income taxes incurred	\$ 4,218,467	\$ 2,568,839	\$ 1,649,628

NOTES TO FINANCIAL STATEMENTS

2. Deferred Tax Assets:

(a) Ordinary			
(1) Discounting of unpaid losses	\$ -	\$ -	\$ -
(2) Unearned premium reserve	-	-	-
(3) Policyholder reserves	-	-	-
(4) Investments	-	-	-
(5) Deferred acquisition costs	-	-	-
(6) Policyholder dividends accrual	-	-	-
(7) Fixed assets	-	-	-
(8) Compensation and benefits accrual	-	-	-
(9) Pension accrual	-	-	-
(10) Receivables - nonadmitted	10,597	12,411	(1,814)
(11) Net operating loss carry-forward	-	-	-
(12) Tax credit carry-forward	-	-	-
(13) Other (including items < 5% of total ordinary tax assets)	-	-	-
(14) Accrued future expenses	-	-	-
(99) Subtotal	10,597	12,411	(1,814)
(b) Statutory valuation allowance adjustment	-	-	-
(c) Nonadmitted	-	-	-
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	10,597	12,411	(1,814)
(e) Capital:			
(1) Investments	-	-	-
(2) Net capital loss carry-forward	-	-	-
(3) Real estate	-	-	-
(4) Other (including items <5% of total capital tax assets)	-	-	-
(99) Subtotal	-	-	-
(f) Statutory valuation allowance adjustment	-	-	-
(g) Nonadmitted	-	-	-
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	-	-	-
(i) Admitted deferred tax assets (2d + 2h)	\$ 10,597	\$ 12,411	\$ (1,814)

NOTES TO FINANCIAL STATEMENTS

3. Deferred Tax Liabilities:

(a) Ordinary			
(1) Investments	\$ -	\$ -	\$ -
(2) Fixed assets	-	-	-
(3) Deferred and uncollected premium	-	-	-
(4) Policyholder reserves	-	-	-
(5) Other (including items < 5% of total ordinary tax liabilities	1	1	-
(99) Subtotal	1	1	-
(b) Capital:			
(1) Investments	4,061	2,058	2,003
(2) Real estate	-	-	-
(3) Other (including items < 5% of total capital tax liabilities)	-	-	-
(99) Subtotal	4,061	2,058	2,003
(c) Deferred tax liabilities (3a99 + 3b99)	\$ 4,062	\$ 2,059	\$ 2,003
4. Net deferred tax assets/liabilities (2i - 3c)	\$ 6,535	\$ 10,352	\$ (3,817)

D. The Company’s income tax expense and change in deferred income taxes differs from the amount obtained by applying the federal statutory income tax rate of 35% for the year ended December 31 as follows:

	2016	2015
Tax expense computed using federal statutory rate	\$ 3,192,040	\$ 3,633,284
Change in nonadmitted assets	1,814	(2,458)
Tax exempt income and dividend received deduction net of proration	(8,662)	(9,252)
Prior year true-ups and adjustments	1,037,092	(1,037,092)
Total	\$ 4,222,284	\$ 2,584,482
Federal income taxes incurred	\$ 4,218,467	\$ 2,568,839
Change in net deferred income taxes	3,817	15,643
Total statutory income taxes	\$ 4,222,284	\$ 2,584,482

E. Operating loss carry-forwards:

- 1. The Company has no operating loss carry-forwards and no tax credit carry-forwards as of December 31, 2016.
- 2. The following are income taxes incurred in the current and prior year(s) that will be available for recoupment in the event of future net losses:

	Ordinary	Capital	Total
2016	\$ 3,181,372	\$ -	\$ 3,181,372
2015	\$ 4,643,025	\$ -	\$ 4,643,025
2014	N/A	\$ 7,547	\$ 7,547

- 3. The Company has no protective tax deposits as admitted assets under Section 6603 of the Internal Revenue Code December 31, 2016 and 2015.

## NOTES TO FINANCIAL STATEMENTS

**F.** The following companies will be included in the consolidated federal income tax return with their parent Anthem, Inc. as of December 31, 2016 and either are current members of the consolidated tax sharing agreement or are in the process of being added to the consolidated tax sharing agreement. Allocation of federal income taxes with affiliates subject to the tax sharing agreement is based upon separate income tax return calculations with credit for net losses that can be used on a consolidated basis. Pursuant to this agreement, the Company has the enforceable right to recoup federal income taxes paid in prior years in the event of future net losses, which it may incur, or to recoup its net losses carried forward as an offset to future net income subject to federal income taxes. Intercompany income tax balances are settled based on the Internal Revenue Service due dates.

American Imaging Management, Inc.	DeCare Dental Health International, LLC
AMERIGROUP Community Care of New Mexico, Inc.	DeCare Dental Networks, LLC
AMERIGROUP Corporation	DeCare Dental, LLC
AMERIGROUP District of Columbia, Inc.	Designated Agent Company, Inc.
AMERIGROUP Florida, Inc.	EHC Benefits Agency, Inc.
Amerigroup Insurance Company	Empire HealthChoice Assurance, Inc.
AMERIGROUP Iowa, Inc.	Empire HealthChoice HMO, Inc.
Amerigroup Kansas, Inc.	Federal Government Solutions, LLC (fka
AMERIGROUP Maryland, Inc.	Government Health Services, LLC)
AMERIGROUP Mississippi, Inc.	Forty-Four Forty-Four Forest Park Redevelopment Corp
AMERIGROUP Nevada, Inc.	Golden West Health Plan, Inc.
AMERIGROUP New Jersey, Inc.	Greater Georgia Life Insurance Company
AMERIGROUP Ohio, Inc.	Health Core, Inc.
AMERIGROUP Oklahoma, Inc.	Health Management Corporation
Amerigroup Services, Inc.	HealthKeepers, Inc.
AMERIGROUP Tennessee, Inc.	HealthLink HMO, Inc.
AMERIGROUP Texas, Inc.	HealthLink, Inc.
AMERIGROUP Washington, Inc.	HealthPlus HP, LLC
AMGP Georgia Managed Care Company, Inc.	Healthy Alliance Life Insurance Company
Anthem Blue Cross Life and Health Insurance Company	HMO Colorado, Inc.
Anthem Financial, Inc.	HMO Missouri, Inc.
Anthem Health Insurance Company of Nevada	Imaging Management Holdings, LLC
Anthem Health Plans of Kentucky, Inc.	Imaging Providers of Texas
Anthem Health Plans of Maine, Inc.	Living Complete Technologies, Inc. (fka
Anthem Health Plans of New Hampshire, Inc.	Tidgewell Associates, Inc.)
Anthem Health Plans of Virginia, Inc.	Matthew Thornton Health Plan, Inc.
Anthem Health Plans, Inc.	National Government Services, Inc.
Anthem Holding Corp.	Park Square Holdings, Inc.
Anthem Insurance Companies, Inc.	Park Square I, Inc.
Anthem Kentucky Managed Care Plan, Inc.	Park Square II, Inc.
Anthem Life & Disability Insurance Company	PHP Holdings, Inc.
Anthem Southeast, Inc.	R&P Realty, Inc.
Anthem UM Services, Inc.	Resolution Health, Inc.
Anthem, Inc.	RightCHOICE Managed Care, Inc.
Arcus Enterprises, Inc.	Rocky Mountain Hospital and Medical Service, Inc.
ARCUS HealthyLiving Services, Inc.	SellCore, Inc.
Associated Group, Inc.	Simply Healthcare Holdings, Inc.
Better Health, Inc.	Simply Healthcare Plans, Inc.
Blue Cross and Blue Shield of Georgia, Inc.	Southeast Services, Inc.
Blue Cross Blue Shield Healthcare Plan of Georgia, Inc.	State Sponsored Business UM Services, Inc.
Blue Cross Blue Shield of Wisconsin	The Anthem Companies of California, Inc.
Blue Cross of California	The Anthem Companies, Inc.
Blue Cross of California Partnership Plan, Inc.	TrustSolutions, LLC
CareMore Health Group, Inc.	UNICARE Health Plan of West Virginia, Inc.
CareMore Health Plan	UNICARE Health Plans of Texas, Inc.
CareMore Health Plan of Arizona, Inc.	UNICARE Illinois Services, Inc.
CareMore Health Plan of Georgia, Inc.	UNICARE Life & Health Insurance Company
CareMore Health Plan of Nevada	UNICARE National Services, Inc.
CareMore Health Plan of Texas, Inc.	UNICARE Specialty Services, Inc.
CareMore Health System	UtiliMed IPA, Inc.
CareMore Holdings, Inc.	WellPoint Behavioral Health, Inc.
Cerulean Companies, Inc.	WellPoint California Services, Inc.
Claim Management Services, Inc.	WellPoint Dental Services, Inc.
Community Care Health Plan of Louisiana, Inc. (fka	WellPoint Health Solutions, Inc.
AMERIGROUP Louisiana, Inc.)	WellPoint Holding Corporation
Community Insurance Company	WellPoint Information Technology Services, Inc.
Compicare Health Services Insurance Corporation	WellPoint Insurance Services, Inc.
Crossroads Acquisition Corp	WellPoint Military Care Corporation
DeCare Analytics, LLC	

**G.** Not applicable.



## NOTES TO FINANCIAL STATEMENTS

### 10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

#### A. Nature of the Relationship

The Company is a Missouri domiciled stock insurance company and is a wholly-owned subsidiary of HealthLink, Inc. which is a wholly-owned indirect subsidiary of Anthem, Inc. (“Anthem”), a publicly traded company.

On July 24, 2015, the Company’s ultimate parent company, Anthem, and Cigna Corporation (“Cigna”) entered into an Agreement and Plan of Merger dated as of July 23, 2015, by and among Anthem, Cigna and Anthem Merger Sub Corp., a Delaware corporation and a direct wholly-owned subsidiary of Anthem, pursuant to which Anthem will acquire all outstanding shares of Cigna, or the Acquisition. On July 21, 2016, the U.S. Department of Justice, or DOJ, along with certain state attorneys general, filed a civil antitrust lawsuit in the U.S. District Court for the District of Columbia seeking to block the Acquisition. On January 18, 2017, Anthem provided notice to Cigna that Anthem had elected to extend the termination date under the Merger Agreement from January 31, 2017 until April 30, 2017. Following the conclusion of the trial, the Court ruled in favor of the DOJ, on February 8, 2017 and Anthem promptly filed notice that Anthem would appeal the Court’s ruling. On February 14, 2017, Cigna purported to terminate the Merger Agreement and commenced litigation against Anthem in the Delaware Court of Chancery, or Delaware Court, seeking damages and a declaratory judgment that its purported termination of the Merger Agreement was lawful, among other claims. Anthem believes Cigna’s allegations are without merit. Also on February 14, 2017, Anthem initiated its own litigation against Cigna in the Delaware Court seeking a temporary restraining order to enjoin Cigna from terminating the Merger Agreement, specific performance compelling Cigna to comply with the Merger Agreement and damages. On February 15, 2017, the Delaware Court granted Anthem’s motion for a temporary restraining order and issued an order enjoining Cigna from terminating the Merger Agreement. The temporary restraining order became effective immediately and will remain in place pending any further order from the Delaware Court. Anthem intends to vigorously defend the Acquisition in both the Circuit Court and the Delaware Court and remains committed to completing the Acquisition as soon as practicable.

#### B. Significant Transactions for Each Period

The following significant transactions took place between the Company and its affiliates:

The Board of Directors of the Company declared an extraordinary dividend in the amount of \$10,000,000 on May 19, 2016. The Department approved this dividend on June 21, 2016 and a payment was made to its parent, HealthLink, Inc., on June 27, 2016.

During the twelve months ended December 31, 2015, there were no equity contributions received or dividends declared by the Company.

#### C. Intercompany Management and Service Arrangements

There were no changes to intercompany management and service arrangements, and there were no additional arrangements entered into during 2016 or 2015. The amounts of transactions under such agreements are included in Schedule Y, Part 2.

## NOTES TO FINANCIAL STATEMENTS

### **D. Amounts Due To or From Related Parties**

At December 31, 2016 and 2015, the Company reported \$216,744 and \$219,596 due from affiliates and \$55,565 and \$31,903 due to affiliates, respectively. The receivable and payable balances represent intercompany transactions that will be settled in accordance with the settlement terms of the intercompany agreement.

### **E. Guarantees or Contingencies for Related Parties**

The Company did not enter into guarantees or undertakings for the benefit of an affiliate which would result in a material contingent exposure of the Company's or any affiliated insurer's assets or liabilities.

### **F. Management and Service Agreements and Cost Sharing Arrangements**

The Company has entered into administrative services agreements with its affiliated companies. Pursuant to these agreements, various administrative, management and support services are provided to or provided by the Company. The costs and expenses related to these administrative management and support services are allocated to or allocated by the Company in an amount equal to the direct and indirect costs and expenses incurred in providing these services. Direct costs include expenses such as salaries, employee benefits, communications, advertising, consulting services, maintenance, rent, utilities, and supplies which are directly attributable to the Company's operations. Allocated costs include expenses such as salaries, benefit claims and enrollment processing, billing, accounting, underwriting, product development and budgeting, which support the Company's operations. These costs are allocated based on various utilization statistics.

The Company is party to a cash concentration agreement with its affiliated companies. Under this agreement, any of the Company's affiliates may be designated as a cash manager to handle the collection and/or payment of funds on behalf of the Company. Conversely, the Company may be designated as a cash manager to handle the collection and/or payment of funds on behalf of its affiliates. Cash services covered under this agreement include the collection of premiums and other revenue, the collection of benefit and administrative expense reimbursements, the payment of policy benefits, payroll expense, general and administrative expense, and accounts payable disbursements.

### **G. Nature of Control Relationships that Could Affect Operations or Financial Position**

HealthLink, Inc. owns all outstanding shares of the Company. The Company's ultimate parent is Anthem.

### **H. Amount Deducted for Investment in Upstream Company**

The Company do not own shares of upstream intermediate entities or Anthem.

### **I. Detail of Investments in Affiliates Greater than 10% of Admitted Assets**

At December 31, 2016 and 2015, the Company did not have investments in affiliates.

### **J. Write-down for Impairments of Investments in Subsidiaries, Controlled or Affiliated Companies**

Not applicable.

## NOTES TO FINANCIAL STATEMENTS

### **K. Investment in a Foreign Insurance Subsidiary**

The Company does not have investments in foreign insurance subsidiaries.

### **L. Investment in Downstream Non-insurance Holding Companies**

Not applicable.

### **M. All SCA Investments**

The Company has no SCA Investments.

### **N. Investment in Insurance SCAs**

The Company does not have investments in insurance SCAs.

## **11. Debt**

### **A. Capital Notes**

The Company had no capital notes outstanding at December 31, 2016 and 2015.

### **B. All Other Debt**

The Company had no other debt outstanding at December 31, 2016 and 2015.

## **12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans**

### **A. Defined Benefit Plan**

Not applicable - See Note 12G.

**B.** Not applicable - See Note 12G.

**C.** Not applicable - See Note 12G.

**D.** Not applicable - See Note 12G.

### **E. Defined Contribution Plan**

Not applicable - See Note 12G.

### **F. Multiemployer Plan**

The Company does not participate in a multiemployer plan.

### **G. Consolidated/Holding Company Plans**

The Company participates in the Anthem Cash Balance Pension Plan (the "Plan"), a frozen non-contributory defined benefit pension plan sponsored by ATH Holding Company, LLC ("ATH Holding") covering most employees of Anthem and its subsidiaries. ATH Holding allocates a share of the total accumulated costs of the Plan to the Company based on the number of allocated employees. The Company has no legal obligation for benefits under this plan.

The Company participates in a postretirement medical benefit plan, sponsored by ATH Holding, providing certain health, life, vision and dental benefits to eligible retirees. ATH Holding allocates a share of the total accumulated costs of this plan to the Company based on the number of allocated employees. The Company has no legal obligation for benefits under this plan.

NOTES TO FINANCIAL STATEMENTS

The Company participates in a deferred compensation plan sponsored by Anthem which covers certain employees. The deferred amounts are payable according to the terms and subject to the conditions of said deferred compensation agreements. Anthem allocates a share of the total accumulated costs of this plan to the Company based on the number of allocated employees subject to the deferred compensation agreements. The Company has no legal obligation for benefits under this plan.

The Company participates in the Anthem 401(k) Retirement Savings Plan, a defined contribution plan, sponsored by ATH Holding and covering substantially all employees. Voluntary employee contributions are matched by ATH Holding subject to certain limitations. ATH Holding allocates a share of the total accumulated costs of this plan to the Company based on the number of allocated employees. The Company has no legal obligation for benefits under this plan. During 2016 and 2015, the Company was allocated the following costs (credits) for these retirement benefits:

	2016	2015
Defined benefit pension plan	\$ (8,188)	\$ (8,275)
Postretirement medical benefit plan	1,243	352
Deferred compensation plans	707	757
Defined contribution plan	24,376	25,420

H. Post-Employment Benefits and Compensated Absences

Liabilities for earned not yet taken vacation and severance benefits have been accrued as of December 31, 2016 and 2015.

I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)

Not applicable.

13. Capital and Surplus, Shareholders’ Dividend Restrictions and Quasi-Reorganizations

(1) Outstanding Shares

As of December 31, 2016, the Company has 300 shares of \$100 par value common stock authorized and 10 shares issued and outstanding.

(2) Preferred Stock

The Company has no preferred stock outstanding.

(3) Dividend Restrictions

Under Missouri law, there are certain restrictions on the payment of dividends by insurers in a holding company structure. It shall not be lawful for the directors, trustees or managers of any insurance company to make any dividend, except from the surplus profits arising from their business, nor for any company to solicit or do new business, when its assets are less than three-fourths of its liabilities. If the aggregate amount of the payments and other distributions made to shareholders and declared as dividends during a calendar year exceeds one-half percent of the policy owners’ surplus, then all of the payments and distributions are fully subject to the rule, including amounts that would otherwise be exempt. In addition the distribution of an extraordinary dividend and payment of a dividend from other than earned surplus requires approval of the Director of the Department.

## NOTES TO FINANCIAL STATEMENTS

An extraordinary dividend is defined as one that exceeds the lesser of 10 percent of the insurer's surplus as regards policyholders as of the 31<sup>st</sup> day of December next preceding, or the net investment income for the twelve month period ending the 31<sup>st</sup> day of December next preceding, but shall not include pro rata distributions of any class of the insurer's own securities.

### **(4) Dividends Paid**

See Footnote 10B.

### **(5) Maximum Ordinary Dividend During 2017**

Within the limitations of (3) above, the Company may pay \$252,056 in dividends during 2017 without prior approval.

### **(6) Unassigned Surplus Restrictions**

Unassigned surplus funds are not restricted at December 31, 2016.

### **(7) Mutual Surplus Advances**

Not applicable.

### **(8) Company Stock Held for Special Purpose**

There are no shares of stock held for special purposes at December 31, 2016.

### **(9) Changes in Special Surplus Funds**

There are no special surplus funds at December 31, 2016.

### **(10) Changes in Unassigned Funds**

There was no portion of unassigned funds represented by cumulative unrealized gains and losses at December 31, 2016.

### **(11) Surplus Notes**

The Company has not issued any surplus notes or debentures or similar obligations.

### **(12) Restatement due to Prior Quasi-reorganizations**

The Company had no restatements due to prior quasi-reorganizations.

### **(13) Quasi-reorganizations over Prior 10 Years**

The Company has not been involved in a quasi-reorganization during the past 10 years.

## **14. Liabilities, Contingencies and Assessments**

### **A. Contingent Commitments**

The Company has no contingent commitments at December 31, 2016.

### **B. Assessments**

Not applicable.

### **C. Gain Contingencies**

## NOTES TO FINANCIAL STATEMENTS

The Company has no gain contingencies at December 31, 2016.

### **D. Claims-Related Extra Contractual Obligation and Bad Faith Losses Stemming From Lawsuits**

Not applicable.

### **E. Joint and Several Liabilities**

Not applicable.

### **F. All Other Contingencies**

The Company is involved in other pending and threatened litigation of the character incidental to the business transacted, arising out of its operations and is from time to time involved as a party in various governmental investigations, audits, reviews and administrative proceedings. These investigations, audits and reviews and administrative proceedings include routine and special investigations by state insurance departments, state attorneys general, the U.S. Attorney General and Federal Agencies. Such investigations, audits, reviews and administrative proceedings could result in the imposition of civil or criminal fines, penalties, other sanctions and additional rules, regulations or other restrictions on The Company's business operations. The Company believes that any liability that may result from any one of these actions, or in the aggregate, could have a material adverse effect on the Company's financial position or results of operations.

In March 2016, Anthem filed a lawsuit against its vendor for pharmacy benefit management ("PBM") services, captioned Anthem, Inc. v. Express Scripts, Inc., in the U.S. District Court for the Southern District of New York. The lawsuit seeks to recover damages for pharmacy pricing that is higher than competitive benchmark pricing, damages related to operational breaches and seeks various declarations under the PBM agreement between the parties. Anthem's suit asserts that Express Scripts, Inc.'s ("Express Scripts") current pricing exceeds the competitive benchmark pricing required by the PBM agreement over the remaining term of the PBM agreement and through the post-termination transition period. Further, Anthem believes that Express Scripts' excessive pricing has caused Anthem to lose existing customers and prevented the Company from gaining new business. In addition to the amounts associated with competitive benchmark pricing, Anthem is seeking damages associated with operational breaches incurred to date, together with a declaratory judgment that Express Scripts: (1) breached its obligation to negotiate in good faith and to agree in writing to new pricing terms; (2) is required to provide competitive benchmark pricing to Anthem through the term of the PBM agreement; (3) has breached the PBM agreement, and that Anthem can terminate the PBM agreement either due to Express Scripts' breaches or because Anthem has determined that Express Scripts' performance with respect to the delegated Medicare Part D functions has been unsatisfactory; and (4) is required under the PBM agreement to provide post-termination services, at competitive benchmark pricing, for one year following any termination. In April 2016, Express Scripts filed an answer to the lawsuit disputing Anthem's contractual claims and alleging various defenses and counterclaims. Express Scripts contends that Anthem breached the PBM agreement by failing to negotiate proposed new pricing terms in good faith and that Anthem breached the implied covenant of good faith and fair dealing by disregarding the terms of the transaction. In addition, Express Scripts is seeking declaratory judgments: (1) regarding the timing of the periodic pricing review under the PBM agreement; (2) that it has no obligation to ensure that Anthem

## NOTES TO FINANCIAL STATEMENTS

receives any specific level of pricing, that Anthem has no contractual right to any change in pricing under the PBM agreement and that its sole obligation is to negotiate proposed pricing terms in good faith; and (3) that Anthem does not have the right to terminate the PBM agreement. In the alternative, Express Scripts claims that Anthem has been unjustly enriched by its payment of \$4.675 billion at the time of the PBM agreement. Anthem believes that Express Scripts' defenses and counterclaims are without merit. Anthem filed a motion to dismiss Express Script's counterclaims, which is pending. Anthem intends to vigorously pursue these claims and defend against any counterclaims; however, the ultimate outcome cannot be presently determined.

## NOTES TO FINANCIAL STATEMENTS

Anthem and Express Scripts were also named as defendants in a purported class action lawsuit filed in June 2016 in the Southern District of New York by three members of ERISA plans alleging ERISA violations captioned Karen Burnett, Brendan Farrell, and Robert Shullich, individually and on behalf of all others similarly situated vs. Express Scripts, Inc. and Anthem, Inc. The lawsuit was then consolidated with a similar lawsuit that was previously filed against Express Scripts. A first amended consolidated complaint was filed in the consolidated lawsuit, which is captioned In Re Express Scripts/Anthem ERISA Litigation. The first amended consolidated complaint was filed by six individual plaintiffs against Anthem and Express Scripts on behalf of all persons who are participants in or beneficiaries of any ERISA or non-ERISA health care plan from December 1, 2009 to the present in which Anthem provided prescription drug benefits through a PBM agreement with Express Scripts and who paid a percentage bases on co-insurance payment in the course of using that prescription drug benefit. As to the ERISA members, the plaintiffs allege that Anthem breached its duties under ERISA (i) by failing to adequately monitor Express Scripts' pricing under the PBM agreement and (ii) by trading off the best interests of Anthem insureds for its own pecuniary interest by allegedly agreeing to higher pricing in the PBM agreement in exchange for the \$4.675 billion purchase price for Anthem's NextRX PBM business. As to the non-ERISA members, the plaintiffs assert that Anthem breached the implied covenant of good faith and fair dealing implied in the health plans under which the non-ERISA members are covered by (i) negotiating and entering into the PBM agreement with Express Scripts that was detrimental to the interests of the such non-ERISA members, (ii) failing to adequately monitor the activities of Express Scripts, including failing to timely monitor and correct the prices charged by Express Scripts for prescription medications, and (iii) acting in Anthem's self-interests instead of the interests of the non-ERISA members when it accepted the \$4.675 billion purchase price for NextRx. Plaintiffs seek to hold Anthem and Express Scripts jointly and severally liable and to recover all losses suffered by the proposed class, equitable relief, disgorgement of alleged ill-gotten gains, injunctive relief, attorney's fees and costs and interest. Anthem filed a motion to dismiss all of the claims brought against Anthem, which is pending. Express Scripts filed a motion to transfer the case to a federal court in Missouri and Anthem intends to oppose this transfer. Anthem intends to vigorously defend this suit; however, its ultimate outcome cannot be presently determined.

In February 2015, Anthem reported that it was the target of a sophisticated external cyber-attack. The attackers gained unauthorized access to certain of Anthem's information technology systems and obtained personal information related to many individuals and employees, such as names, birthdays, health care identification/social security numbers, street addresses, email addresses, phone numbers and employment information, including income data. To date, there is no evidence that credit card or medical information, such as claims, test results or diagnostic codes, were targeted, accessed or obtained, although no assurance can be given that Anthem will not identify additional information that was accessed or obtained.

Upon discovery of the cyber-attack, Anthem took immediate action to remediate the security vulnerability and retained a cybersecurity firm to evaluate its systems and identify solutions based on the evolving landscape. Anthem is providing credit monitoring and identity protection services to those who have been affected by this cyber-attack. Anthem has continued to implement security enhancements since this incident. Anthem has incurred expenses subsequent to the cyber-attack to investigate and remediate this matter and expects to continue to incur expenses of this nature in the foreseeable future. Anthem will recognize these expenses in the periods in which they are incurred.



## NOTES TO FINANCIAL STATEMENTS

Actions have been filed in various federal and state courts and other claims have been or may be asserted against Anthem on behalf of current or former members, current or former employees, other individuals, shareholders or others seeking damages or other related relief, allegedly arising out of the cyber-attack. Federal and state agencies, including state insurance regulators, state attorneys general, the Health and Human Services Office of Civil Rights and the Federal Bureau of Investigation, are investigating events related to the cyber-attack, including how it occurred, its consequences and Anthem's responses. The NAIC's multistate targeted market conduct and financial exam was concluded in December 2016. As part of the resolution, the NAIC asked and Anthem has agreed to provide a customized credit protection program functionally equivalent to a credit freeze for minors who were under the age of 18 on January 27, 2015. No fines or penalties were issued. Although Anthem is cooperating in these investigations, Anthem may be subject to fines or other obligations, which may have an adverse effect on how Anthem operates its business and on its results of operations. With respect to the civil actions, a motion to transfer was filed with the Judicial Panel on Multidistrict Litigation in February 2015 and was subsequently heard by the Panel in May 2015. In June 2015, the Panel entered its order transferring the consolidated matter to the U.S. District Court for the Northern District of California. The U.S. District Court entered its case management order in September 2015. Anthem filed a motion to dismiss ten of the counts that are before the U.S. District Court. In February 2016, the court issued an order granting in part and denying in part our motion, dismissing three counts with prejudice, four counts without prejudice and allowing three counts to proceed. Plaintiffs filed a second amended complaint in March 2016, and Anthem subsequently filed a second motion to dismiss. In May 2016, the court issued an order granting in part and denying in part our motion, dismissing one count with prejudice, dismissing certain counts asserted by specific named plaintiffs with or without prejudice depending on their individualized facts, and allowing the remaining counts to proceed. In July 2016, plaintiffs filed a third amended complaint, which Anthem answered in August 2016. Fact discovery was completed in December 2016. There remain two state court cases that are presently proceeding outside of the Multidistrict Litigation.

Anthem has contingency plans and insurance coverage for certain expenses and potential liabilities of this nature. While a loss from these matters is reasonably possible, Anthem cannot reasonably estimate a range of possible losses because the investigation into the matter is ongoing, the proceedings remain in the early stages, alleged damages have not been specified, there is uncertainty as to the likelihood of a class or classes being certified or the ultimate size of any class if certified, and there are significant factual and legal issues to be resolved.

The Company is involved in other pending and threatened litigation of the character incidental to the business transacted, arising out of its operations and is from time to time involved as a party in various governmental investigations, audits, reviews and administrative proceedings. These investigations, audits and reviews and administrative proceedings include routine and special investigations by state insurance departments, state attorneys general, the U.S. Attorney General and Federal Agencies. Such investigations, audits, reviews and administrative proceedings could result in the imposition of civil or criminal fines, penalties, other sanctions and additional rules, regulations or other restrictions on The Company's business operations. The Company believes that any liability that may result from any one of these actions, or in the aggregate, could have a material adverse effect on the Company's financial position or results of operations.

## NOTES TO FINANCIAL STATEMENTS

At December 31, 2016 and 2015, the Company reported admitted assets of \$9,235,057 and \$7,012,391 respectively in premium receivables due from policyholders and agents and receivables due from uninsured plans. Based upon Company experience, any uncollectible receivables are not expected to exceed \$26,140 that was non-admitted at December 31, 2016; therefore, no additional provision for uncollectible amounts has been recorded. The potential for any additional loss is not believed to be material to the Company's financial condition.

### **15. Leases**

The Company does not have any leasing arrangements.

### **16. Information About Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk**

The Company has no significant financial instruments with off-balance sheet risk.

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of investment securities. All investment securities are managed by professional investment managers within policies authorized by the board of directors. Such policies limit the amounts that may be invested in any one issuer and prescribe certain investee company criteria. As of December 31, 2016, there were no significant concentrations.

### **17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**

#### **A. Transfers of Receivables Reported as Sales**

Not applicable at December 31, 2016 and 2015.

#### **B. Transfer and Servicing of Financial Assets**

Not applicable at December 31, 2016 and 2015.

#### **C. Wash Sales**

1. In the course of the Company's asset management, securities may be sold and reacquired within 30 days of the sale date to enhance the yield on the investments.
2. At December 31, 2016 and 2015, there were no wash sales involving securities with an NAIC designation of 3 or below or unrated.

## NOTES TO FINANCIAL STATEMENTS

**18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans****A. Administrative Services Only (“ASO”) Plans**

Not applicable at December 31, 2016. The company did report such amounts for 2015; however, all such arrangements in 2016 are reported in Note 18B.

**B. Administrative Services Contract Plans**

The gain/loss from operations from ASC uninsured plans and the uninsured portion of partially insured ASC plans during 2016 were:

	ASC Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASC
a. Gross reimbursement for medical cost incurred	\$ 265,573,220	\$ -	\$ 265,573,220
b. Gross administrative fees accrued	10,654,128	-	10,654,128
c. Other income or expenses (including interest paid to or received from plans)	-	-	-
d. Gross expenses incurred (claims and administrative)	267,346,915	-	267,346,915
e. Total gain or (loss) from operations	<u>\$ 8,880,433</u>	<u>\$ -</u>	<u>\$ 8,880,433</u>

**C. Medicare or Other Similarly Structured Cost-Based Reimbursement Contract**

1. The Company does not record revenue explicitly attributable to the cost share and reinsurance components of administered Medicare products.
2. As of December 31, 2016 and 2015, the Company recorded a receivable from CMS of \$0 and \$0, respectively, related to the cost share and reinsurance components of administered Medicare products, a receivable from HHS of \$0 and \$0, respectively, related to cost share and reinsurance components of administered commercial ACA products and a receivable from ASO customers of \$9,235,057 and \$7,012,391, respectively.
3. As no revenue is recorded in connection with the cost share and reinsurance components of the Company’s reinsurance contracts, the Company has recorded no allowances and reserves for the adjustment of recorded revenues and receivables.
4. The Company has made no adjustment to revenue resulting from audit of receivables related to revenues recorded in the prior period.

**19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators**

No premiums were written by managing general agents or third party administrators during the years ended December 31, 2016 and 2015.

NOTES TO FINANCIAL STATEMENTS

20. Fair Value Measurements

A.

(1) Fair Value Measurement at Reporting Date

There are no assets or liabilities measured at fair value as of December 31, 2016 and 2015.

(2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy

There are no investments in Level 3 as of December 31, 2016 and 2015.

(3) The Company’s policy is to recognize transfers in and transfers out, if any, as of the beginning of the reporting period.

(4) Fair values of fixed maturity securities are based on quoted market prices, where available. These fair values are obtained primarily from third party pricing services, which generally use Level 1 or Level 2 inputs, for the determination of fair value to facilitate fair value measurements and disclosures. United States Government securities represent Level 1 securities, while Level 2 securities primarily include corporate securities, securities from states, municipalities and political subdivisions and residential mortgage-backed securities. For securities not actively traded, the third party pricing services may use quoted market prices of comparable instruments or discounted cash flow analyses, incorporating inputs that are currently observable in the markets for similar securities. Inputs that are often used in the valuation methodologies include, but are not limited to, broker quotes, benchmark yields, credit spreads, default rates and prepayment speeds.

Fair values of equity securities are generally designated as Level 1 and are based on quoted market prices. For certain equity securities, quoted market prices for the identical security are not always available and the fair value is estimated by reference to similar securities for which quoted prices are available. These securities are designated Level 2.

Certain financial assets are measured at fair value using Level 3 inputs, such as certain non-investment grade bonds and loan-backed securities or investments that are impaired during the year and recorded at fair value.

There have been no significant changes in the valuation techniques during the current period.

B. Fair Value Measurements Under Other Accounting Pronouncements

Not applicable at December 31, 2016 and 2015.

C. Financial Instruments

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	\$ 14,502,245	\$ 14,483,811	\$ 11,523,805	\$ 2,978,440	\$ -	\$ -
Short term investments	1,068,883	1,068,883	1,068,883	-	-	-

D. Not Practicable to Estimate Fair Value

There are no financial instruments that were not practicable to estimate fair value.

## NOTES TO FINANCIAL STATEMENTS

### 21. Other Items

#### A. Unusual or Infrequent Items

Not applicable at December 31, 2016 and 2015.

#### B. Troubled Debt Restructuring: Debtors

Not applicable at December 31, 2016 and 2015.

#### C. Other Disclosures

Assets in the amount of \$754,908 and \$765,669 at December 31, 2016 and 2015, respectively, were on deposit with government authorities or trustees as required by law.

#### D. Business Interruption Insurance Recoveries

The Company has reported no recoveries for business interruption for the years ended December 31, 2016 and 2015.

#### E. State Transferable and Non-Transferable Tax Credits

The Company did not have state transferable or non-transferable tax credits at December 31, 2016 and 2015.

#### F. Subprime Mortgage-Related Risk Exposure

1. The Company's investment strategy of providing safety and preservation of capital, sufficient liquidity to meet cash flow requirements and the attainment of a competitive after-tax investment return is supported by a well-diversified portfolio consisting of many different types of investments. The portion of the Company's investment portfolio with subprime mortgage-related risk exposure is relatively small in comparison to the overall investment portfolio, and consists of investment grade securities with no exposure to collateralized debt obligations. All mortgage related investments are monitored closely as part of the quarterly investment review performed by the Anthem Investment Impairment Review Committee.
2. At December 31, 2016 or 2015, the Company did not carry investments in subprime mortgage loans in its portfolio.
3. At December 31, 2016 or 2015, the Company's investment portfolio did not contain investments with subprime mortgage-related risk exposure.
4. The Company did not underwrite Mortgage Guaranty or Financial Guaranty insurance coverage at December 31, 2016 or 2015.

#### G. Retained Assets

The Company did not have any retained assets at December 31, 2016 and 2015.

#### H. Insurance-Linked Securities (ILS) Contracts

The Company does not have ILS Contracts at December 31, 2016 and 2015.

## NOTES TO FINANCIAL STATEMENTS

### 22. Events Subsequent

The Company did not have any Affordable Care Act assessable premium in 2016 and 2015.

Subsequent events have been considered through February 22, 2017, the date of filing. There were no events occurring subsequent to December 31, 2016 requiring recognition or disclosure.

### 23. Reinsurance

#### A. Ceded Reinsurance Report

##### Section 1 – General Interrogatories

1. Are any of the reinsurers that are listed in Schedule S as non-affiliated owned in excess of 10% or controlled, either directly or indirectly, by the Company or by any representative, officer, trustee, or director of the Company?

Yes ( ) No (X)

2. Have any policies issued by the Company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled, directly or indirectly, by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?

Yes ( ) No (X)

##### Section 2 – Ceded Reinsurance Report – Part A

1. Does the Company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits?

Yes ( ) No (X)

2. Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

Yes ( ) No (X)

##### Section 3 – Ceded Reinsurance Report – Part B

1. What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the Company may consider the current or anticipated experience of the business reinsured in making this estimate.

NA

## NOTES TO FINANCIAL STATEMENTS

2. Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the Company as of the effective date of the agreement?

Yes ( ) No (X)

### **B. Uncollectible Reinsurance**

The Company has no uncollectible reinsurance at December 31, 2016 and 2015.

### **C. Commutation of Ceded Reinsurance**

The Company has not commuted ceded reinsurance during 2016 and 2015.

### **D. Certified Reinsurer Rating Downgraded or Status Subject Revocation**

The Company has no downgraded certified reinsurer ratings or status subject revocations during 2016 and 2015.

## **24. Retrospectively Rated Contracts & Contracts Subject to Redetermination**

**A to E** – Not applicable.

## **25. Change in Incurred Claims and Claim Adjustment Expenses**

Not applicable.

## **26. Intercompany Pooling Arrangements**

Not applicable at December 31, 2016 and 2015.

## **27. Structured Settlements**

Not applicable at December 31, 2016 and 2015.

NOTES TO FINANCIAL STATEMENTS

28. Health Care Receivables

A. Pharmaceutical Rebate Receivables

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
12/31/2016	\$ 27,709	\$ 16,460	\$ -	\$ -	\$ -
9/30/2016	20,179	22,318	-	-	-
6/30/2016	19,826	18,734	-	17,518	-
3/31/2016	21,323	19,429	-	15,362	3,781
12/31/2015	19,529	20,684	-	18,926	1,205
9/30/2015	17,324	21,944	-	21,265	758
6/30/2015	23,260	27,225	-	20,252	5,646
3/31/2015	21,468	26,392	-	23,830	2,036
12/31/2014	20,940	23,602	-	22,201	1,061
9/30/2014	20,914	19,310	-	18,514	781
6/30/2014	18,873	19,419	-	17,875	1,627
3/31/2014	19,795	19,976	-	18,900	1,180

B. Risk Sharing Receivables

Not applicable at December 31, 2016 and 2015.

29. Participating Policies

Not applicable at December 31, 2016 and 2015.

30. Premium Deficiency Reserves

The Company did not record premium deficiency reserves at December 31, 2016 and 2015.

31. Anticipated Subrogation and Other Recoveries

Not applicable at December 31, 2016 and 2015.



GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES  
GENERAL

1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? .....  
If yes, complete Schedule Y, Parts 1, 1A and 2

Yes [ X ] No [ ]

1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? .....

Yes [ X ] No [ ] N/A [ ]

1.3

State Regulating? .....

Missouri

2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? .....

Yes [ ] No [ X ]

2.2

If yes, date of change: .....

3.1

State as of what date the latest financial examination of the reporting entity was made or is being made. ....

12/31/2013

3.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. ....

12/31/2012

3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). ....

12/26/2013

3.4

By what department or departments?  
Missouri Department of Insurance .....

3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? .....

Yes [ ] No [ ] N/A [ X ]

3.6

Have all of the recommendations within the latest financial examination report been complied with? .....

Yes [ ] No [ ] N/A [ X ]

4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
4.11 sales of new business? .....  
4.12 renewals? .....

Yes [ ] No [ X ]  
Yes [ ] No [ X ]

4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
4.21 sales of new business? .....  
4.22 renewals? .....

Yes [ ] No [ X ]  
Yes [ ] No [ X ]

5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? .....

Yes [ ] No [ X ]

5.2

If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile

6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? .....

Yes [ ] No [ X ]

6.2

If yes, give full information: .....

7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? .....

Yes [ ] No [ X ]

7.2

If yes,  
7.21 State the percentage of foreign control; ..... %  
7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

1	2
Nationality	Type of Entity

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE HealthLink HMO, Inc.

GENERAL INTERROGATORIES

8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes [ ] No [ X ]

8.2

If response to 8.1 is yes, please identify the name of the bank holding company.

8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes [ ] No [ X ]

8.4

If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1	2	3	4	5	6
Affiliate Name	Location (City, State)	FRB	OCC	FDIC	SEC

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

Ernst & Young LLP, 111 Monument Circle, Suite 2600, Indianapolis, IN 46204

10.1

Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes [ ] No [ X ]

10.2

If the response to 10.1 is yes, provide information related to this exemption:

10.3

Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation?

Yes [ ] No [ X ]

10.4

If the response to 10.3 is yes, provide information related to this exemption:

10.5

Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

Yes [ X ] No [ ] N/A [ ]

10.6

If the response to 10.5 is no or n/a, please explain

11.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?

Denise Meridith, Regional VP and Actuary III, 1831 Chestnut Street, St. Louis, MO, 63103.

12.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes [ ] No [ X ]

12.11

Name of real estate holding company

12.12

Number of parcels involved

12.13

Total book/adjusted carrying value

\$

12.2

If, yes provide explanation:

13.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1

What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

13.2

Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes [ ] No [ ]

13.3

Have there been any changes made to any of the trust indentures during the year?

Yes [ ] No [ ]

13.4

If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?

Yes [ ] No [ ] N/A [ ]

14.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

Yes [ X ] No [ ]

(a)

Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

(b)

Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

(c)

Compliance with applicable governmental laws, rules and regulations;

(d)

The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

(e)

Accountability for adherence to the code.

14.11

If the response to 14.1 is No, please explain:

14.2

Has the code of ethics for senior managers been amended?

Yes [ X ] No [ ]

14.21

If the response to 14.2 is yes, provide information related to amendment(s).

The Anthem Standards of Ethical Business Conduct applies to all associates, management, officers and directors of Anthem. In June 2016 the code of conduct was revised for the following: a) updated Gift policy (offering) to address new Finance policy prohibiting offering gift cards, unless an approved wellness program; b) added a new section on Telephone Consumer Protection Act; c) added a new section on Non-discrimination under the Affordable Care Act (ACA) since we had a section on non-discrimination for government business. In July 2016 the code of conduct was revised for minor administrative changes regarding definitions of confidential information pertaining to associates' information as well as the certification at the end of the code.

14.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes [ ] No [ X ]

14.31

If the response to 14.3 is yes, provide the nature of any waiver(s).

## GENERAL INTERROGATORIES

- |  |                                      |  |             |
|--|--------------------------------------|--|-------------|
| 1<br>American Bankers Association (ABA) Routing Number | 2<br>Issuing or Confirming Bank Name | 3<br>Circumstances That Can Trigger the Letter of Credit | 4<br>Amount |
|  |                                      |  |             |

16.	Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? .....	Yes [ <input checked="" type="checkbox"/> ]	No [ <input type="checkbox"/> ]
17.	Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? .....	Yes [ <input checked="" type="checkbox"/> ]	No [ <input type="checkbox"/> ]
18.	Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict with the official duties of such person? .....	Yes [ <input checked="" type="checkbox"/> ]	No [ <input type="checkbox"/> ]

## INVESTMENT

- ## 27.2

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE HealthLink HMO, Inc.

GENERAL INTERROGATORIES

24.10 For the reporting entity’s security lending program state the amount of the following as December 31 of the current year:

24.101	Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.	\$	0
24.102	Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.	\$	0
24.103	Total payable for securities lending reported on the liability page.	\$	0

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes [ X ] No [ ]

25.2	If yes, state the amount thereof at December 31 of the current year:	25.21 Subject to repurchase agreements	\$	
		25.22 Subject to reverse repurchase agreements	\$	
		25.23 Subject to dollar repurchase agreements	\$	
		25.24 Subject to reverse dollar repurchase agreements	\$	
		25.25 Placed under option agreements	\$	
		25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock	\$	
		25.27 FHLB Capital Stock	\$	
		25.28 On deposit with states	\$	754,908
		25.29 On deposit with other regulatory bodies	\$	
		25.30 Pledged as collateral - excluding collateral pledged to an FHLB	\$	
		25.31 Pledged as collateral to FHLB - including assets backing funding agreements	\$	
		25.32 Other	\$	

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [ ] No [ X ]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [ ] No [ ] N/A [ X ]  
If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [ ] No [ X ]

27.2 If yes, state the amount thereof at December 31 of the current year. \$

28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [ X ] No [ ]

28.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
Bank of New York Mellon Corporation	New York, NY

28.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [ ] No [ X ]

28.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE HealthLink HMO, Inc.

GENERAL INTERROGATORIES

28.05 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts"; "...handle securities"]

1 Name of Firm or Individual	2 Affiliation
McDonnell Investment Management, LLC .....	U.....
.....	.....

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets?..... Yes [ X ] No [ ]

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets?..... Yes [ X ] No [ ]

28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
113878 .....	McDonnell Investment Management, LLC .....	.....	Securities Exchange Commission .....	NO.....
.....	.....	.....	.....	.....

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5(b)(1)])? ..... Yes [ ] No [ X ]

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
.....	.....	.....
29.2999 - Total	.....	0

29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
.....	.....	.....	.....
.....	.....	.....	.....

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds .....	15,552,693	15,571,127	18,434
30.2 Preferred stocks .....	0	.....	0
30.3 Totals	15,552,693	15,571,127	18,434

30.4 Describe the sources or methods utilized in determining the fair values:  
Fair values were obtained from third-party pricing sources. If a security was not priced by a third-party pricing source, internal analytical systems or broker quotes were utilized. ....

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? ..... Yes [ X ] No [ ]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? ..... Yes [ X ] No [ ]

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:  
N/A .....

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? ..... Yes [ X ] No [ ]

32.2 If no, list exceptions:  
N/A .....

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE HealthLink HMO, Inc.

GENERAL INTERROGATORIES

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? .....\$ .....0

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid

34.1 Amount of payments for legal expenses, if any? .....\$ .....12,704

34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
NELSON MULLINS RILEYS .....	.....5,707

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? .....\$ .....0

35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force? .....

Yes [   ] No [ X ]

1.2

If yes, indicate premium earned on U.S. business only. ....

\$ \_\_\_\_\_

1.3

What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? .....

\$ \_\_\_\_\_

1.31

Reason for excluding

1.4

Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above .....

\$ \_\_\_\_\_

1.5

Indicate total incurred claims on all Medicare Supplement Insurance. ....

\$ \_\_\_\_\_ 0

1.6

Individual policies:

Most current three years:

1.61 Total premium earned .....\$ \_\_\_\_\_ 0

1.62 Total incurred claims .....\$ \_\_\_\_\_ 0

1.63 Number of covered lives ..... \_\_\_\_\_ 0

All years prior to most current three years:

1.64 Total premium earned .....\$ \_\_\_\_\_ 0

1.65 Total incurred claims .....\$ \_\_\_\_\_ 0

1.66 Number of covered lives ..... \_\_\_\_\_ 0

1.7

Group policies:

Most current three years:

1.71 Total premium earned .....\$ \_\_\_\_\_ 0

1.72 Total incurred claims .....\$ \_\_\_\_\_ 0

1.73 Number of covered lives ..... \_\_\_\_\_ 0

All years prior to most current three years:

1.74 Total premium earned .....\$ \_\_\_\_\_ 0

1.75 Total incurred claims .....\$ \_\_\_\_\_ 0

1.76 Number of covered lives ..... \_\_\_\_\_ 0

2.

Health Test:

1

Current Year

2

Prior Year

2.1 Premium Numerator ..... \_\_\_\_\_

2.2 Premium Denominator ..... \_\_\_\_\_

2.3 Premium Ratio (2.1/2.2) ..... 0.000 \_\_\_\_\_ 0.000

2.4 Reserve Numerator ..... \_\_\_\_\_

2.5 Reserve Denominator ..... 0 \_\_\_\_\_ 0

2.6 Reserve Ratio (2.4/2.5) ..... 0.000 \_\_\_\_\_ 0.000

3.1

Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? .....

Yes [   ] No [ X ]

3.2

If yes, give particulars:

4.1

Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? .....

Yes [ X ] No [   ]

4.2

If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? .....

Yes [   ] No [   ]

5.1

Does the reporting entity have stop-loss reinsurance? .....

Yes [   ] No [ X ]

5.2

If no, explain:  
The Company has no risk bearing business, so no stop loss reinsurance is necessary.

5.3

Maximum retained risk (see instructions)

5.31 Comprehensive Medical .....\$ \_\_\_\_\_

5.32 Medical Only .....\$ \_\_\_\_\_

5.33 Medicare Supplement .....\$ \_\_\_\_\_

5.34 Dental & Vision .....\$ \_\_\_\_\_

5.35 Other Limited Benefit Plan .....\$ \_\_\_\_\_

5.36 Other .....\$ \_\_\_\_\_

6.

Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:  
All HealthLink HMO provider agreements include Hold Harmless provisions that prohibit pursuit of collection activities against HMO members for HMO covered services. ....

7.1

Does the reporting entity set up its claim liability for provider services on a service date basis?.....

Yes [ X ] No [   ]

7.2

If no, give details

8.

Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year .....44,279

8.2 Number of providers at end of reporting year .....47,677

9.1

Does the reporting entity have business subject to premium rate guarantees? .....

Yes [   ] No [ X ]

9.2

If yes, direct premium earned:

9.21 Business with rate guarantees between 15-36 months..\$ .....

9.22 Business with rate guarantees over 36 months .....\$ .....

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE HealthLink HMO, Inc.

GENERAL INTERROGATORIES

10.1

Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts?

Yes [ ] No [ X ]

10.2

If yes:

10.21

Maximum amount payable bonuses

\$

10.22

Amount actually paid for year bonuses

\$

10.23

Maximum amount payable withholds

\$

10.24

Amount actually paid for year withholds

\$

11.1

Is the reporting entity organized as:

11.12

A Medical Group/Staff Model

Yes [ ] No [ X ]

11.13

An Individual Practice Association (IPA), or,

Yes [ ] No [ X ]

11.14

A Mixed Model (combination of above)?

Yes [ ] No [ X ]

11.2

Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements?

Yes [ X ] No [ ]

11.3

If yes, show the name of the state requiring such minimum capital and surplus.

Missouri

11.4

If yes, show the amount required.

\$300,000

11.5

Is this amount included as part of a contingency reserve in stockholder's equity?

Yes [ ] No [ X ]

11.6

If the amount is calculated, show the calculation

12. List service areas in which reporting entity is licensed to operate:

1 Name of Service Area
ALEXANDER, IL; BOND, IL; CALHOUN, IL; CASS, IL; CHRISTIAN, IL; CLAY, IL; CLINTON, IL; DE WITT, IL; FAYETTE, IL; FRANKLIN, IL; FULTON, IL; GALLATIN, IL; GREENE, IL; HAMILTON, IL; HARDIN, IL; JACKSON, IL; JEFFERSON, IL; JERSEY, IL; JOHNSON, IL; KNOX, IL; LOGAN, IL; MACON, IL; MACOUPIN, IL; MADISON, IL; MARION, IL; MARSHALL, IL; MASON, IL; MASSAC, IL; MENARD, IL; MONROE, IL; MONTGOMERY, IL; MORGAN, IL; MOULTRIE, IL; PEORIA, IL; PERRY, IL; PIATT, IL; POPE, IL; PULASKI, IL; PUTNAM, IL; RANDOLPH, IL; SALINE, IL; SANGAMON, IL; SCOTT, IL; ST. CLAIR, IL; STARK, IL; TAZEWELL, IL; UNION, IL; WASHINGTON, IL; WAYNE, IL; WILLIAMSON, IL; WOODFORD, IL; ADAIR, MO; AUDRAIN, MO; BARRY, MO; BOONE, MO; CALLAWAY, MO; CAMDEN, MO; CHARITON, MO; CHRISTIAN, MO; CLARK, MO; COLE, MO; COOPER, MO; CRAWFORD, MO; DADE, MO; DALLAS, MO; DOUGLAS, MO; DUNKLIN, MO; FRANKLIN, MO; GASCONADE, MO; GREENE, MO; HOWARD, MO; IRON, MO; JASPER, MO; JEFFERSON, MO; KNOX, MO; LACLEDE, MO; LAWRENCE, MO; LEWIS, MO; LINCOLN, MO; LINN, MO; MACON, MO; MADISON, MO; MARIES, MO; MCDONALD, MO; MILLER, MO; MONITEAU, MO; MONROE, MO; MONTGOMERY, MO; MORGAN, MO; NEW MADRID, MO; NEWTON, MO; OSAGE, MO; PEMISCOT, MO; PERRY, MO; PETTIS, MO; PIKE, MO; PUTNAM, MO; RANDOLPH, MO; SALINE, MO; SCHUYLER, MO; SCOTLAND, MO; ST. CHARLES, MO; ST. FRANCOIS, MO; ST. LOUIS, MO; ST. LOUIS CITY, MO; STE. GENEVIEVE, MO; STONE, MO; SULLIVAN, MO; WARREN, MO; WASHINGTON, MO; WEBSTER, MO; WRIGHT, MO;

13.1

Do you act as a custodian for health savings accounts?

Yes [ ] No [ X ]

13.2

If yes, please provide the amount of custodial funds held as of the reporting date.

\$

13.3

Do you act as an administrator for health savings accounts?

Yes [ ] No [ X ]

13.4

If yes, please provide the balance of funds administered as of the reporting date.

\$

14.1

Are any of the captive affiliates reported on Schedule S, Part 3, authorized reinsurers?

Yes [ ] No [ ] N/A [ X ]

14.2

If the answer to 14.1 is yes, please provide the following:

1 Company Name	2 NAIC Company Code	3 Domiciliary Jurisdiction	4 Reserve Credit	Assets Supporting Reserve Credit		
				5 Letters of Credit	6 Trust Agreements	7 Other



ANNUAL STATEMENT FOR THE YEAR 2016 OF THE HealthLink HMO, Inc.

15. Provide the following for individual ordinary life insurance\* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded):

15.1 Direct Premium Written .....	\$ .....	0
15.2 Total Incurred Claims .....	\$ .....	0
15.3 Number of Covered Lives .....		0

*Ordinary Life Insurance Includes
Term(whether full underwriting, limited underwriting, jet issue, "short form app")
Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")
Variable Life (with or without secondary gurarantee)
Universal Life (with or without secondary gurarantee)
Variable Universal Life (with or without secondary gurarantee)

FIVE-YEAR HISTORICAL DATA

	1 2016	2 2015	3 2014	4 2013	5 2012
<b>Balance Sheet</b> (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28) .....	21,308,895	26,668,278	16,542,464	17,299,456	18,313,673
2. Total liabilities (Page 3, Line 24) .....	5,108,838	5,371,237	3,034,730	1,522,032	1,546,000
3. Statutory minimum capital and surplus requirement .....	300,000	300,000	300,000	300,000	300,000
4. Total capital and surplus (Page 3, Line 33) .....	16,200,057	21,297,041	13,507,734	15,777,424	16,767,673
<b>Income Statement</b> (Page 4)					
5. Total revenues (Line 8) .....	37,130	48,312	38,011	49,073	35,654
6. Total medical and hospital expenses (Line 18) .....	0	0	0	0	0
7. Claims adjustment expenses (Line 20) .....	1,109,760	1,104,903	1,110,584	1,135,026	962,967
8. Total administrative expenses (Line 21) .....	(9,953,063)	(11,181,878)	(12,911,056)	(15,459,813)	(14,798,790)
9. Net underwriting gain (loss) (Line 24) .....	8,880,433	10,125,287	11,838,483	14,373,860	13,871,477
10. Net investment gain (loss) (Line 27) .....	244,014	255,525	141,776	257,438	943,855
11. Total other income (Lines 28 plus 29) .....	0	0	0	0	0
12. Net income or (loss) (Line 32) .....	4,901,650	7,811,973	7,785,962	9,518,334	9,698,109
<b>Cash Flow</b> (Page 6)					
13. Net cash from operations (Line 11) .....	2,313,892	5,700,666	6,684,420	9,404,224	10,135,839
<b>Risk-Based Capital Analysis</b>					
14. Total adjusted capital .....	16,200,057	21,297,041	13,507,734	15,777,424	16,767,673
15. Authorized control level risk-based capital .....	29,122	30,842	32,974	48,549	29,616
<b>Enrollment</b> (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7) .....			0	11	11
17. Total members months (Column 6, Line 7) .....			0	132	147
<b>Operating Percentage</b> (Page 4) (Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5) .....	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19) .....	0.0	0.0	0.0	0.0	0.0
20. Cost containment expenses .....	0.0	0.0	0.0	0.0	0.0
21. Other claims adjustment expenses .....	0.0	0.0	0.0	0.0	0.0
22. Total underwriting deductions (Line 23) .....	0.0	0.0	0.0	0.0	0.0
23. Total underwriting gain (loss) (Line 24) .....	0.0	0.0	0.0	0.0	0.0
<b>Unpaid Claims Analysis</b> (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5) .....		0	0		
25. Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)] .....		0	0		
<b>Investments In Parent, Subsidiaries and Affiliates</b>					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1) .....			0		
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1) .....			0		
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1) .....			0		
29. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10) .....	0	0	0	0	0
30. Affiliated mortgage loans on real estate .....					
31. All other affiliated .....					
32. Total of above Lines 26 to 31 .....	0	0	0	0	0
33. Total investment in parent included in Lines 26 to 31 above.					

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes [     ] No [     ]

If no, please explain: .....

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE HealthLink HMO, Inc.

SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

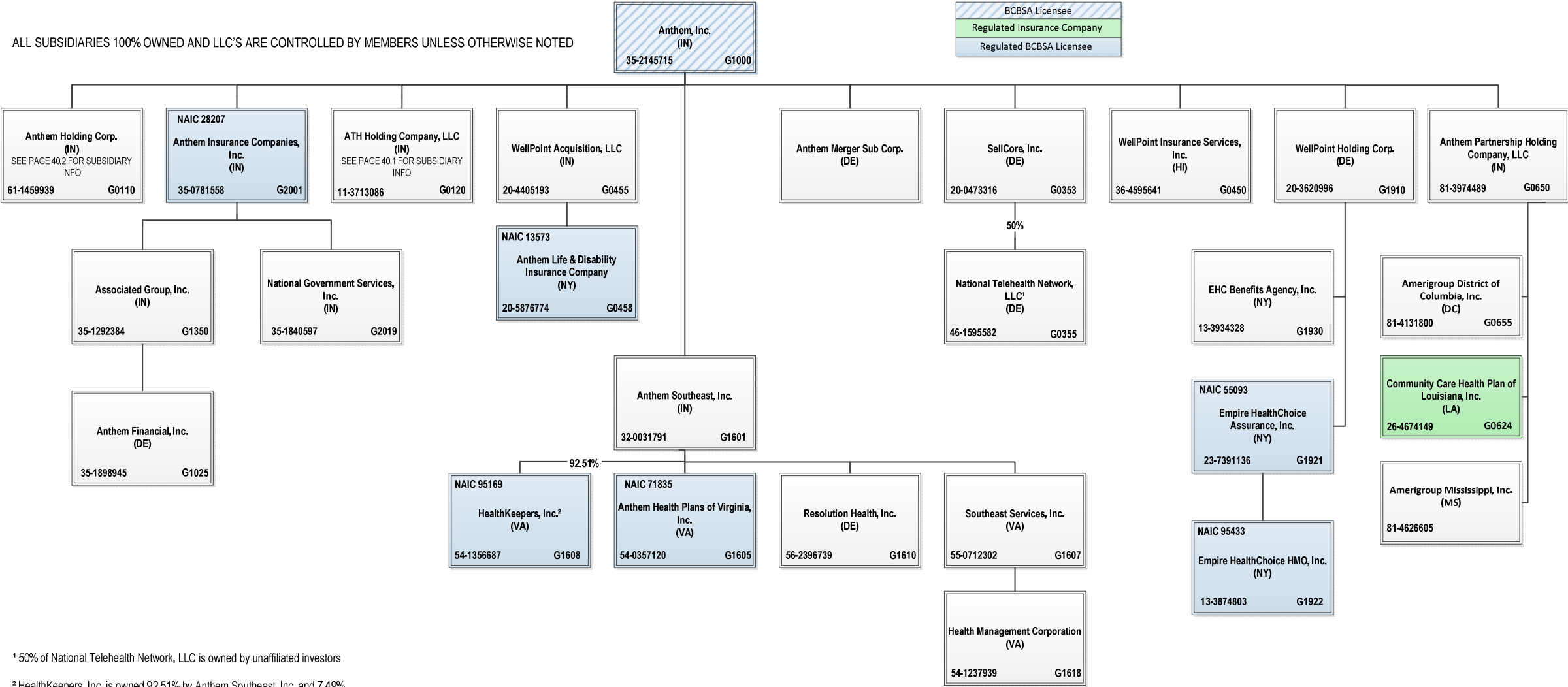
Allocated by States and Territories									
States, etc.	1	Direct Business Only							
		2	3	4	5	6	7	8	9
	Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Plan Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1. Alabama .....	AL								
2. Alaska .....	AK								
3. Arizona .....	AZ								
4. Arkansas .....	AR								
5. California .....	CA								
6. Colorado .....	CO								
7. Connecticut .....	CT								
8. Delaware .....	DE								
9. District of Columbia .....	DC								
10. Florida .....	FL								
11. Georgia .....	GA								
12. Hawaii .....	HI								
13. Idaho .....	ID								
14. Illinois .....	IL								
15. Indiana .....	IN								
16. Iowa .....	IA								
17. Kansas .....	KS								
18. Kentucky .....	KY								
19. Louisiana .....	LA								
20. Maine .....	ME								
21. Maryland .....	MD								
22. Massachusetts .....	MA								
23. Michigan .....	MI								
24. Minnesota .....	MN								
25. Mississippi .....	MS								
26. Missouri .....	MO								
27. Montana .....	MT								
28. Nebraska .....	NE								
29. Nevada .....	NV								
30. New Hampshire .....	NH								
31. New Jersey .....	NJ								
32. New Mexico .....	NM								
33. New York .....	NY								
34. North Carolina .....	NC								
35. North Dakota .....	ND								
36. Ohio .....	OH								
37. Oklahoma .....	OK								
38. Oregon .....	OR								
39. Pennsylvania .....	PA								
40. Rhode Island .....	RI								
41. South Carolina .....	SC								
42. South Dakota .....	SD								
43. Tennessee .....	TN								
44. Texas .....	TX								
45. Utah .....	UT								
46. Vermont .....	VT								
47. Virginia .....	VA								
48. Washington .....	WA								
49. West Virginia .....	WV								
50. Wisconsin .....	WI								
51. Wyoming .....	WY								
52. American Samoa .....	AS								
53. Guam .....	GU								
54. Puerto Rico .....	PR								
55. U.S. Virgin Islands .....	VI								
56. Northern Mariana Islands .....	MP								
57. Canada .....	CAN								
58. Aggregate other alien .....	OT	XXX							
59. Subtotal .....	XXX								
60. Reporting entity contributions for Employee Benefit Plans .....	XXX								
61. Total (Direct Business) .....	(a)								
DETAILS OF WRITE-INS									
58001. ....	XXX								
58002. ....	XXX								
58003. ....	XXX								
58998. Summary of remaining write-ins for Line 58 from overflow page .....	XXX								
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above) .....	XXX								

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.  
Explanation of basis of allocation by states, premiums by state, etc.

(a) Insert the number of L responses except for Canada and Other Alien.

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 – ORGANIZATIONAL CHART

ALL SUBSIDIARIES 100% OWNED AND LLC'S ARE CONTROLLED BY MEMBERS UNLESS OTHERWISE NOTED

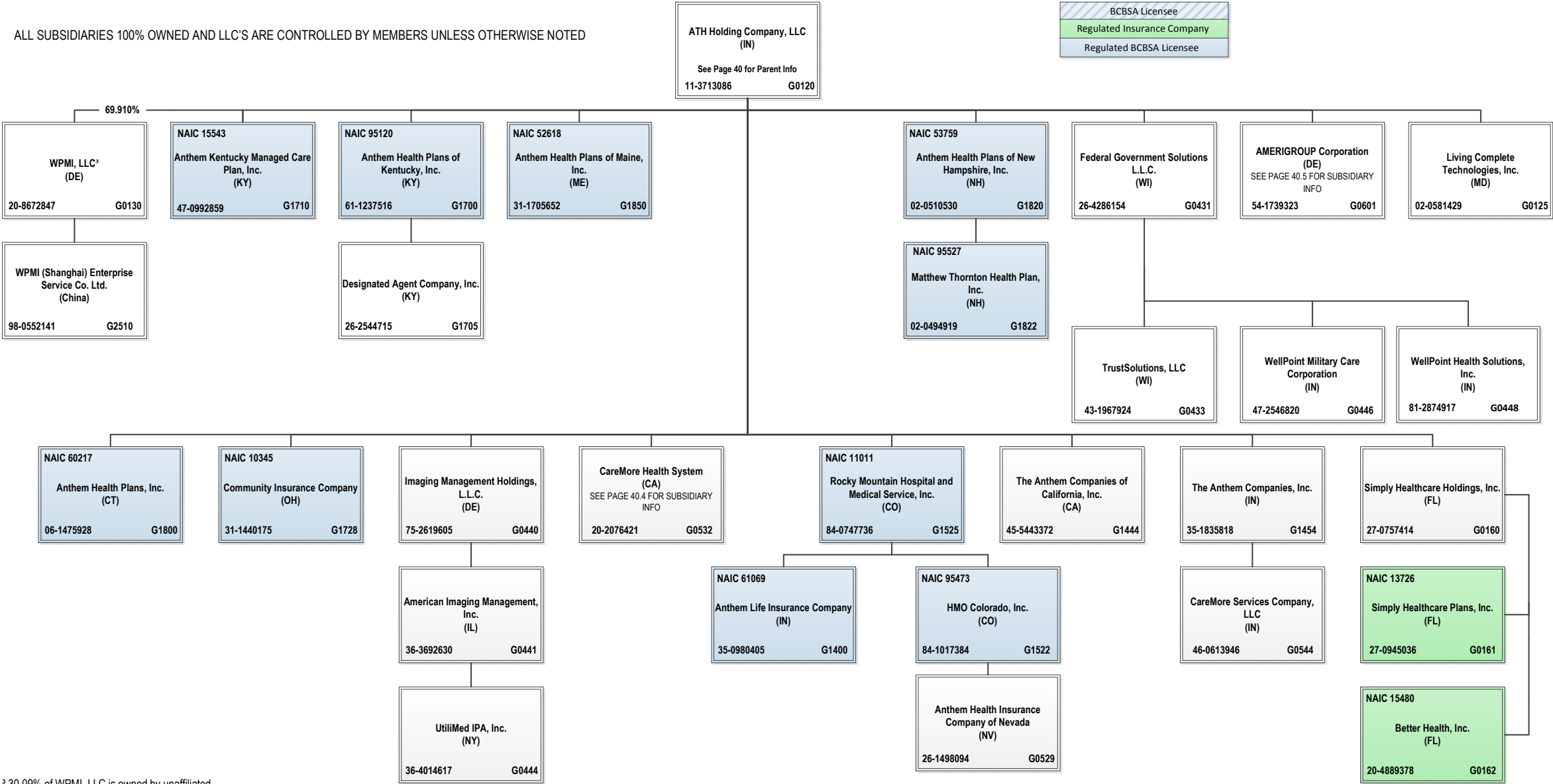


<sup>1</sup> 50% of National Telehealth Network, LLC is owned by unaffiliated investors

<sup>2</sup> HealthKeepers, Inc. is owned 92.51% by Anthem Southeast, Inc. and 7.49% by UNICARE National Services, Inc.

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 – ORGANIZATIONAL CHART

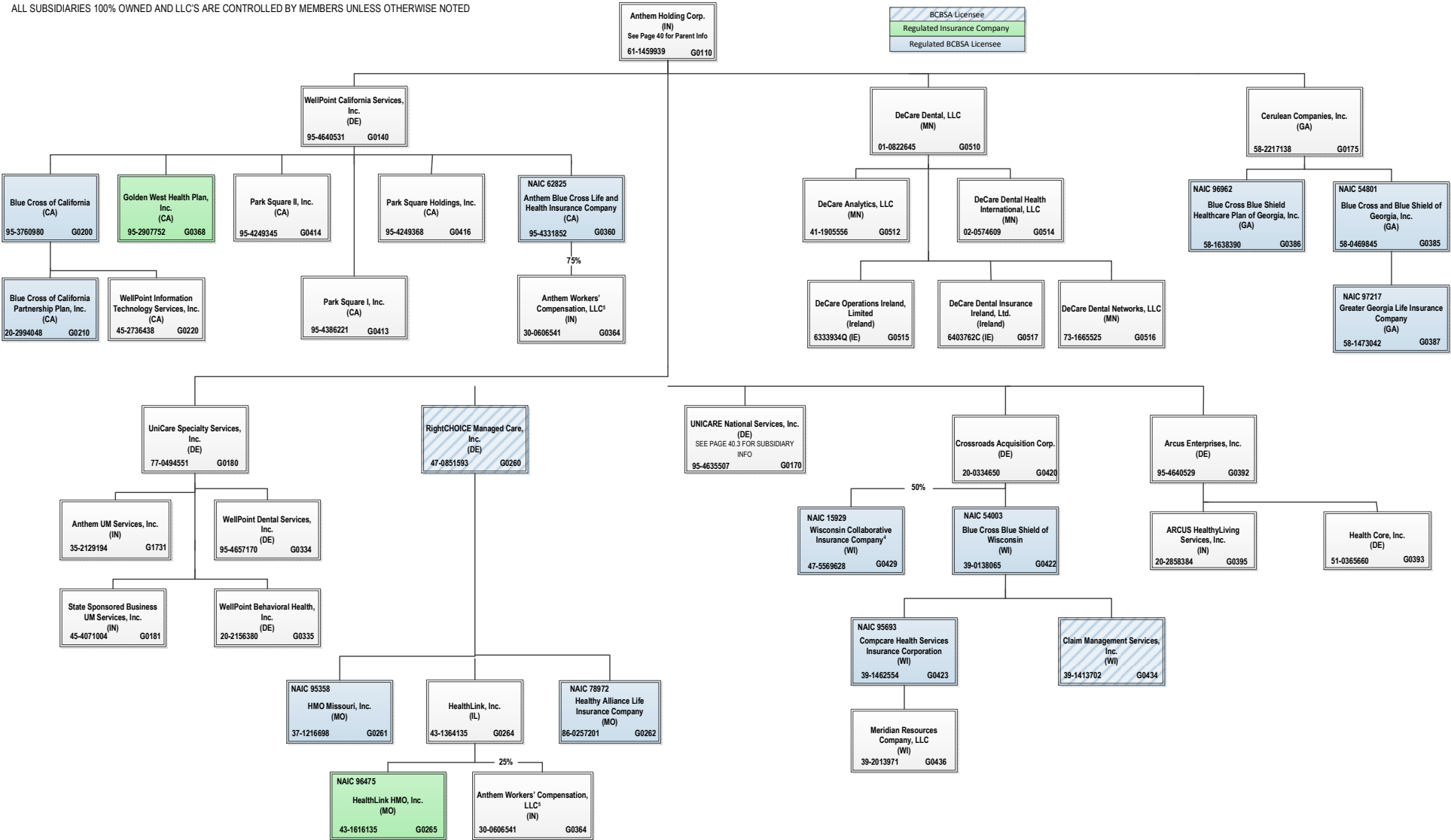
ALL SUBSIDIARIES 100% OWNED AND LLC'S ARE CONTROLLED BY MEMBERS UNLESS OTHERWISE NOTED



<sup>3</sup> 30.09% of WPMI, LLC is owned by unaffiliated investors

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 – ORGANIZATIONAL CHART

ALL SUBSIDIARIES 100% OWNED AND LLC'S ARE CONTROLLED BY MEMBERS UNLESS OTHERWISE NOTED

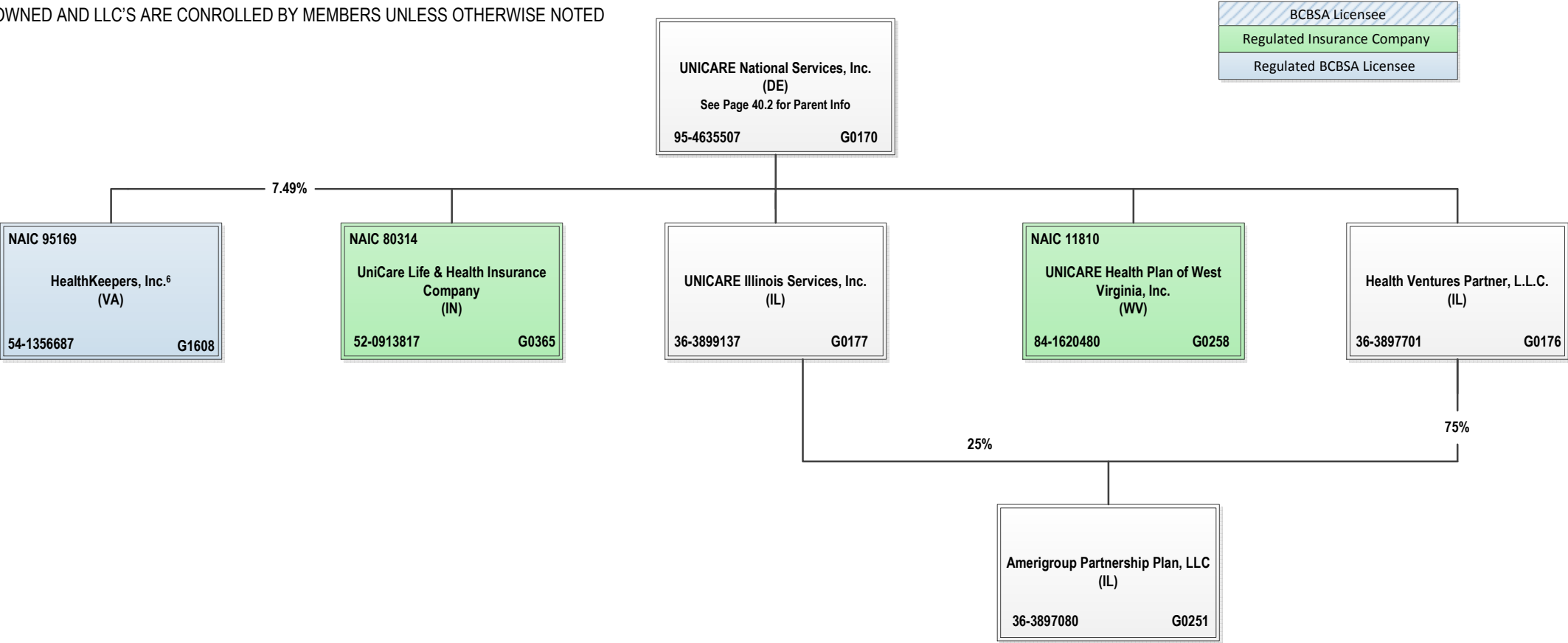


<sup>4</sup> 50% of WCIC is owned by an unaffiliated investor.

<sup>5</sup> Anthem Workers' Compensation LLC is owned 75% by Anthem Blue Cross Life and Health Insurance Company and 25% by HealthLink, Inc.

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 – ORGANIZATIONAL CHART

ALL SUBSIDIARIES 100% OWNED AND LLC'S ARE CONTROLLED BY MEMBERS UNLESS OTHERWISE NOTED

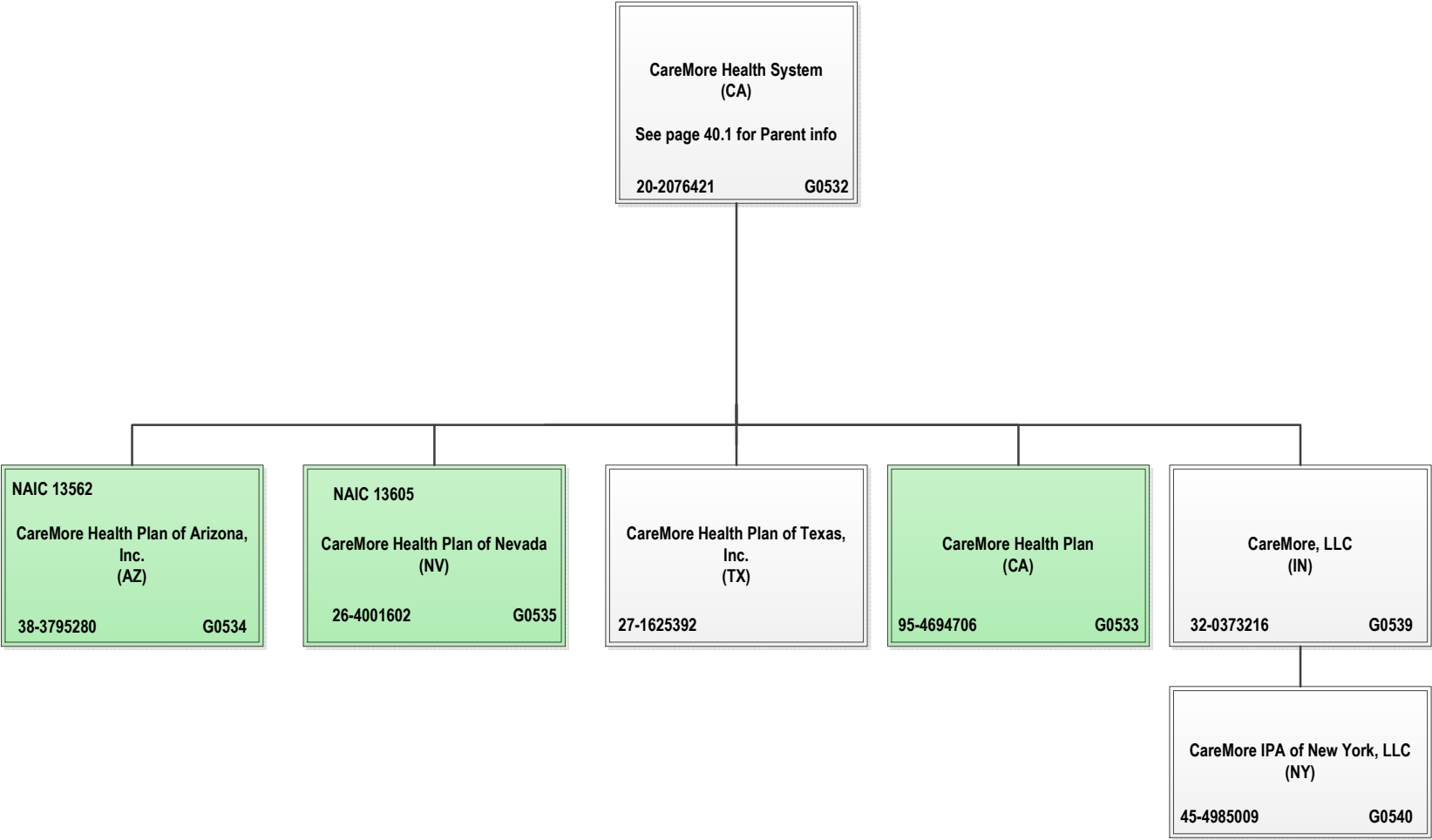


<sup>6</sup> HealthKeepers, Inc. is owned 92.51% by Anthem Southeast, Inc. and 7.49% by UNICARE National Services, Inc.

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 – ORGANIZATIONAL CHART

ALL SUBSIDIARIES 100% OWNED AND LLC'S ARE CONTROLLED BY MEMBERS UNLESS OTHERWISE NOTED

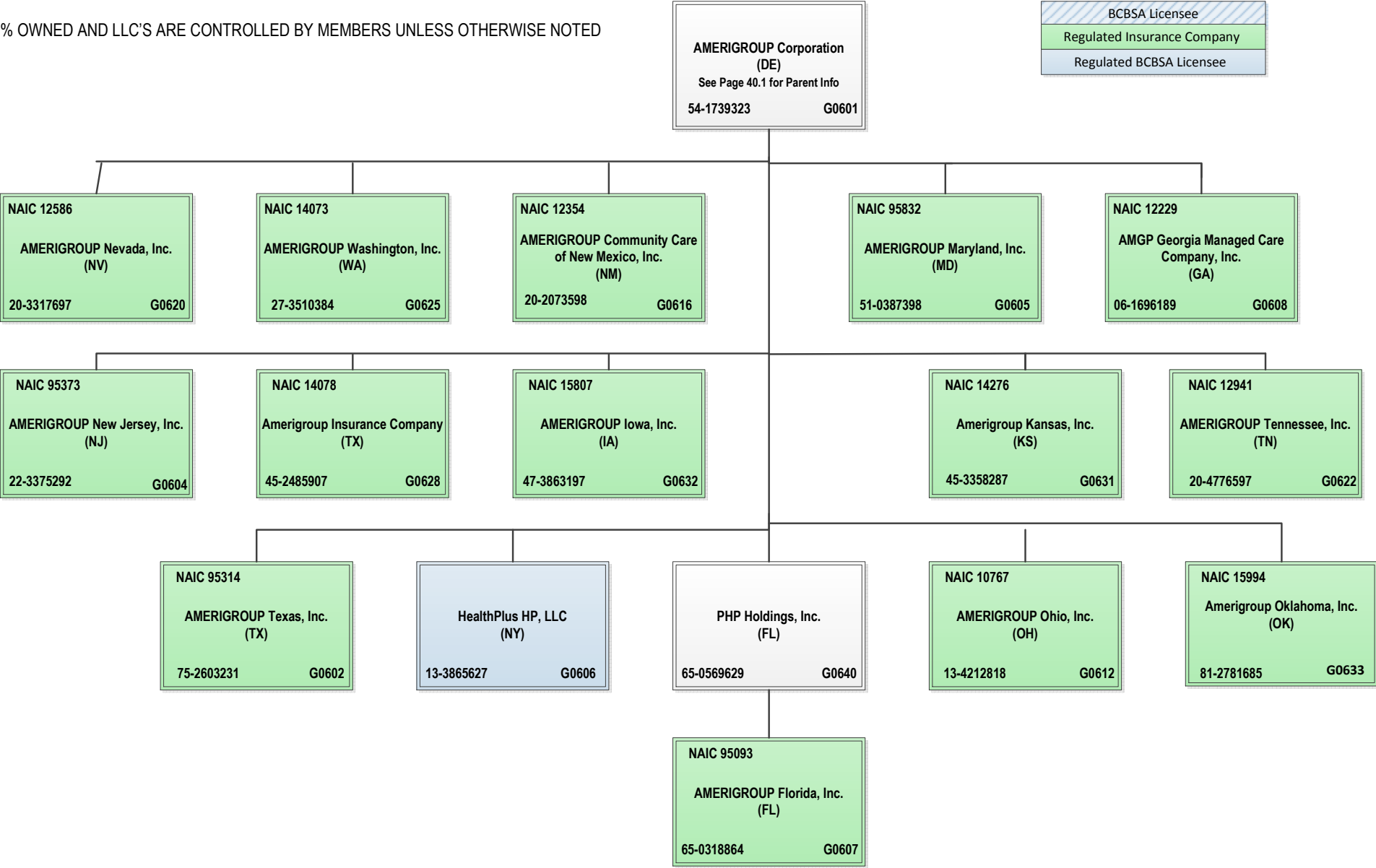
BCBSA Licensee
Regulated Insurance Company
Regulated BCBSA Licensee





SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 – ORGANIZATIONAL CHART

ALL SUBSIDIARIES 100% OWNED AND LLC'S ARE CONTROLLED BY MEMBERS UNLESS OTHERWISE NOTED



**OVERFLOW PAGE FOR WRITE-INS**

**NONE**

ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK

Analysis of Operations By Lines of Business ..... 7

Assets ..... 2

Cash Flow ..... 6

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Exhibit 2 - Accident and Health Premiums Due and Unpaid ..... 18

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